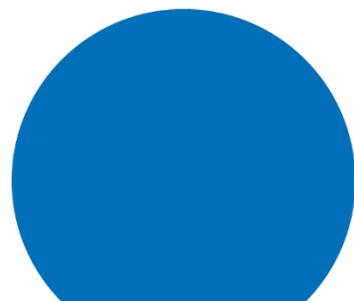
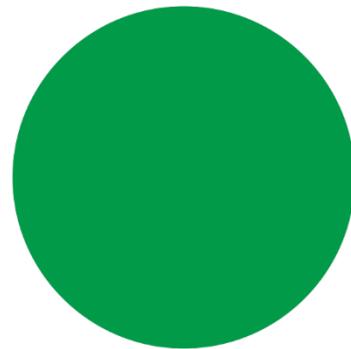
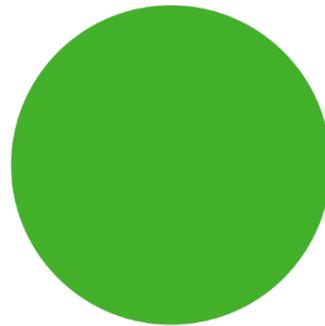
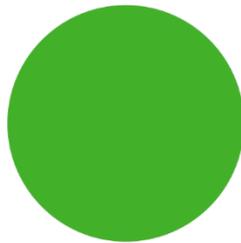
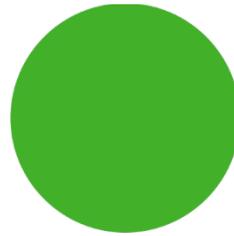
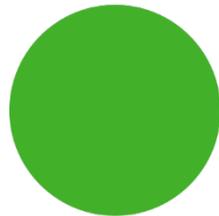




**CPA**

CHARTERED  
PROFESSIONAL  
ACCOUNTANTS  
SASKATCHEWAN

# 2018-19 Annual Report



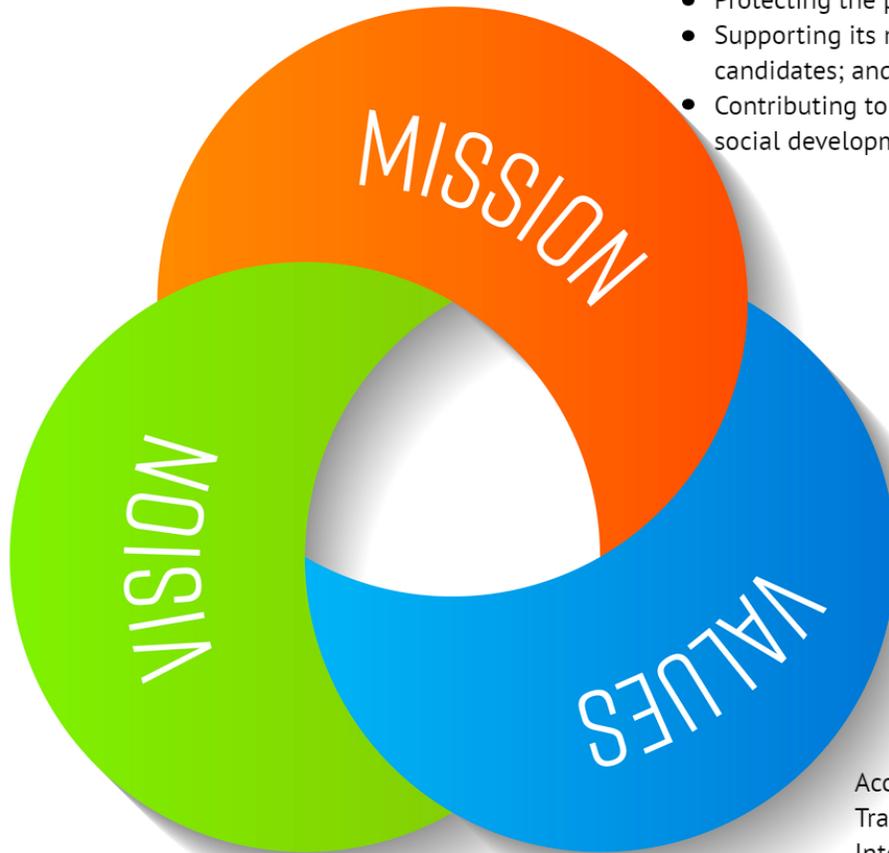
# Contents

CPA Saskatchewan’s Vision, Mission and Values.....	3
Strategic Plan .....	4
Message from the Chair.....	5
Message from the CEO .....	6
Management Discussion and Analysis .....	7
Overview .....	7
Governance.....	7
Management’s Responsibility.....	8
Protection of the Public .....	8
Rules .....	8
Registration.....	9
Monitoring.....	9
Enforcement .....	9
Designation of Choice & Growth .....	10
Member Engagement.....	12
Financial Performance .....	12
2018-19 Financial Statements .....	14
Members of the CPA Saskatchewan Board 2018-19.....	26
Members Serving on CPA Saskatchewan Committees .....	27
CPA Saskatchewan Staff.....	29

# CPA Saskatchewan's Vision, Mission and Values

CPA Saskatchewan enhances the influence, relevance, and the value of the Canadian CPA profession by:

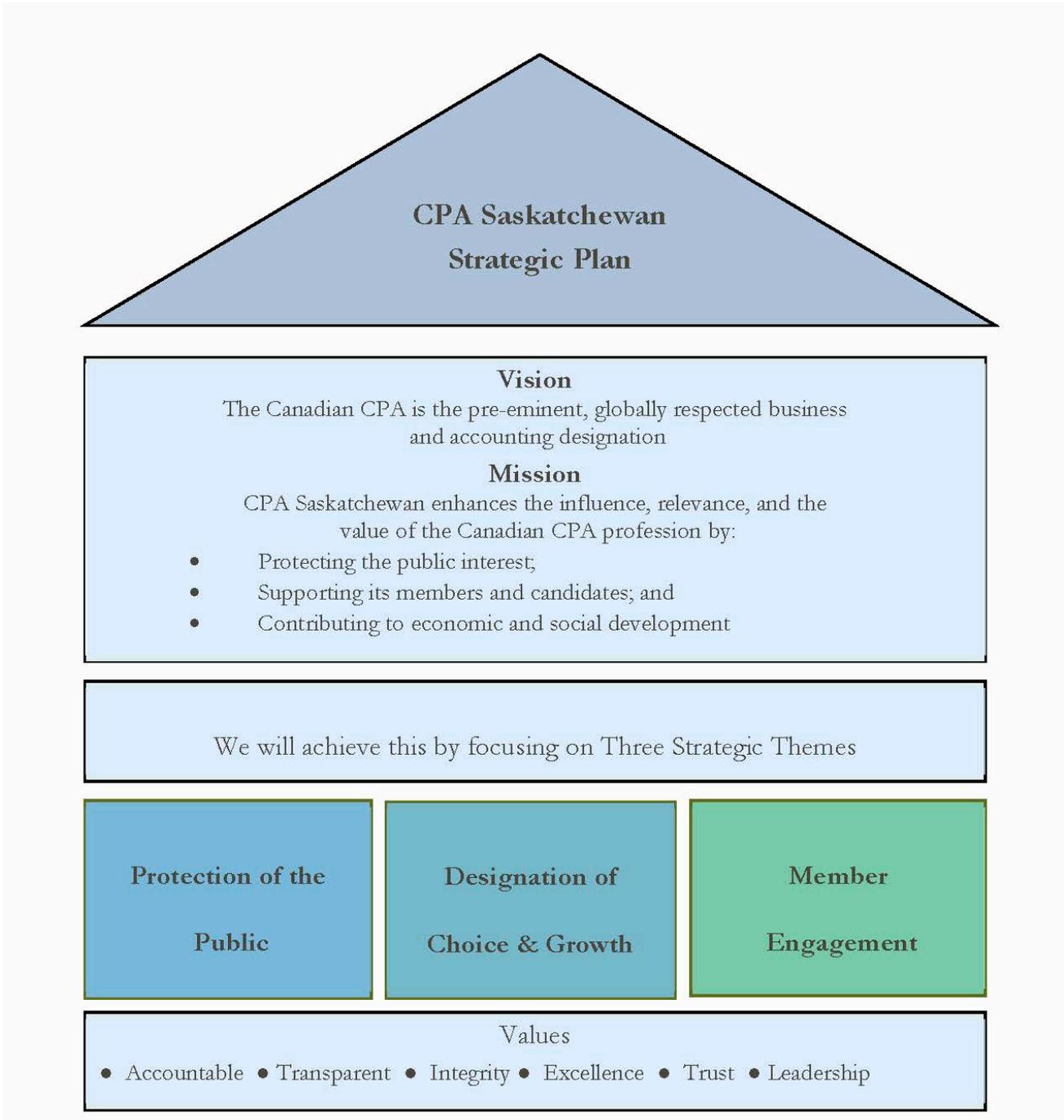
- Protecting the public interest;
- Supporting its members and candidates; and
- Contributing to economic and social development.



The Canadian CPA is the pre-eminent, globally respected business and accounting designation.

Accountability  
Transparent  
Integrity  
Excellence  
Trust  
Leadership

# Strategic Plan



## Message from the Chair

I am pleased to present the 2018-19 Annual Report for CPA Saskatchewan. It has been another exciting year as we continue to evolve and mature as a unified profession across the country, guided by our Vision, Mission and a strong and well-respected brand. It is always a good reminder that CPAs are not boring!

We continue to focus on our three strategic themes of Protection of the Public, Designation of Choice & Growth and Member Engagement. Over the past year, we have advanced a number of initiatives in support of these themes. New Regulatory Bylaws were approved; 117 successful CFE writers are poised to join the profession; our outreach activities continued throughout the province to increase member awareness; and, we continued to emphasize the importance of member and volunteer recognition, including the addition of two new CPA SK awards for Early and Lifetime Achievement. We also continue to be thoughtful and diligent during the review of the Strategic Plan, as well as the Business Plan and Budget prepared by management to successfully align with our strategic direction. We are also proud to maintain a strong membership that continues to exceed 5000 members across the province.

CPA SK has also been active regionally and nationally, participating on or chairing a number of committees, including serving as Chair of the Western Regional Forum to help ensure the success of the profession in the West in the post-unification era. We have also been very involved in the first review of the National CPA Collaboration Accord, which is essentially the constitution for the accounting profession in Canada. All this has taken place in the shadow of the *CPA Canada Foresight Initiative* as we seek input on the future of the accounting profession nationally, and around the world. It has been a busy year but it is important work that has also been very rewarding for the Board and management team at CPA Saskatchewan.

It has been my privilege to serve on the CPA Saskatchewan Board and to experience the passion our members have for this profession. I am proud of the work of our talented Board this year in continuing to lead the CPA profession, they are outstanding ambassadors and even better people. I am confident that the new Board will continue this legacy and continue to be great stewards of our profession.

I would also like to take this opportunity to thank all the members who volunteered on one of our Regulatory Committees. Your time is valued and much appreciated. I would also like to thank the staff at CPA Saskatchewan for their commitment to protecting the public and providing quality services to members. And finally, a huge thank you to my fellow Board members for the direction you have provided, your insight, and your significant contribution to the profession.

I look forward to the future of our profession, as we embrace ongoing change and continue to build the pre-eminent globally respected business and accounting designation.

# Message from the CEO

CPA Saskatchewan is proud to celebrate another successful year. It has been my pleasure to lead our profession through the first years of CPA Saskatchewan. Now that the transition to the unified profession is complete, we are focusing on the future of the CPA profession.

The CPA Saskatchewan Board provides excellent leadership and guidance in establishing our Strategic Plan and supporting the initiatives identified through the business planning process in order to meet the strategic objectives.

Our regulatory committee volunteers continue to provide leadership to the profession by ensuring that the high standards of our profession are maintained.

We had a more fulsome member outreach program in the fall and had the opportunity to meet with members across the province.

The accounting profession is experiencing unprecedented challenges and opportunities. Studies suggest that up to 94% of jobs of financial auditors and accountants will be affected by automation. The CPA profession is taking a lead role in helping members and the global business community prepare for the future by responding to global trends, including economic, environmental, technological, geopolitical, and societal shifts. The profession has embarked on a significant project, Foresight: Reimagining the Profession. During the year, CPA Canada undertook a strategic foresight initiative to develop scenarios aimed at understanding the complex changes underway and the implications. Phase 1 of the project has concluded, and the profession is ready to begin Phase 2. CPA Saskatchewan will continue to be actively engaged in the Foresight project.

CPA Saskatchewan has also continued to work closely with our western colleagues. There have been changes made to the governance and commercial structure of the CPA Western School of Business in an effort to better align our strategic priorities.

We now look forward to the opportunities for the upcoming year. We will continue to focus on the protection of the public, as this is our priority as established in *The Accounting Profession Act*. We also are looking to offer additional opportunities for member engagement, particularly as we celebrate the fifth anniversary of CPA Saskatchewan.

As we continue to advance our profession and the value our members add to the business community and the greater communities where we live, I would like to thank our Board, volunteers, staff and members for their leadership and engagement. We will work together in the upcoming year to continue to strengthen the CPA profession.



During the year the CPA Saskatchewan Board reaffirmed the Vision and Mission statements which are consistent with the Vision and Mission of CPA Canada and the other provincial bodies. They also confirmed the three Strategic Themes:

- Protection of the Public
- Designation of Choice & Growth
- Member Engagement

The strategic direction was implemented by the Chief Executive Officer and the management team who developed a business plan to best achieve the priorities. The Board approved the business plan, budget and fees.

### Management's Responsibility

Management is responsible for stewardship of CPA Saskatchewan's resources and the reporting of its financial results. The March 31, 2019 financial statements and all other financial information contained in this report are related to this responsibility. The information contained in the management discussion and analysis of the financial statements is not audited.

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include estimates based on management's best judgment.

The Audit Committee reviews the annual financial statements and recommends their approval to the Board. The Audit Committee meets periodically with senior management of CPA Saskatchewan and the external auditors. The auditors also meet with the Audit Committee without management present to discuss the auditors' comments on the adequacy of internal accounting controls, quality of financial reporting, and other audit issues.

### Protection of the Public

The CPA profession in Saskatchewan is privileged to be a self-regulating profession. With this privilege comes the paramount responsibility to protect the public interest. Registrants who provide professional services with competence and who are of good character are the essence



of the strategy to achieve this goal. CPA Saskatchewan continues to work through the alignment of our functional areas with the CPA Saskatchewan Regulatory Framework.

Regulatory functions exist to ensure the codified objectives in *The Accounting Profession Act* ("the Act") are fulfilled. The CPA Saskatchewan Regulatory Framework outlines four primary functions – Rules, Registration, Monitoring, and Enforcement. The impact of the

CPA Saskatchewan Regulatory Framework on committee authorities and related decision models continues to be rolled out.

#### Rules

In 2018-19, a comprehensive review was completed of the CPA Saskatchewan Regulatory Bylaws. Working in coordination with the Ministry of Finance, significant revisions were made, and the result is the December 2018 Regulatory Bylaws. Key

amendments include: outlining what is considered the practice of the profession and introducing a four verifiable hour ethics requirement to the three-year cycle of professional development activities.

Rules continue to be reviewed and amendments considered to ensure that the governing documents work together in comprehensive, consistent and congruent regulation of registrants.

### Registration

The registration function at CPA Saskatchewan is key to ensure applicants who are registered are competent and of good character. Members and firms are required to renew their registration annually, which includes declaring any instances of non-compliance.

At March 31, 2019 there are 5,087 members at CPA Saskatchewan and 178 new member applications were processed by CPA Saskatchewan in 2018/19.

At March 31, 2019 there are 317 firms at CPA Saskatchewan and 23 new firm applications were processed by CPA Saskatchewan in 2018/19. Of the 317 firms, 133 are licensed to provide professional accounting services under Section 18(1) of the Act.

The Registration Committee held four meetings during the fiscal year. The Registration Committee has authority to agree to conditions, impose restrictions, suspend registrations or issue directives to registrants.

### Monitoring

CPA Saskatchewan's practice inspection cycle has moved to a four-year risk-adjusted cycle. One key aspect of this risk-based approach is using information from our licensing activity in a member or firm risk profile. The practice inspection program plays an essential role in protecting the public by assessing firms' compliance with professional standards. The Professional Practice Committee makes determinations for firms that can range from no further action, corrective action, restriction on practice or a referral to the Professional Conduct Committee. Sixty-five practice inspections were completed in 2018/19, with over 92% of firms inspected reaching a determination of no further action or submission of a corrective action plan.



The Professional Practice Committee held six meetings in 2018/19.

CPA Saskatchewan facilitated the first continuing professional development verification process during the summer of 2018. Over 110 members were selected to submit documentation to CPA Saskatchewan. As a result of the verification process, two members were required to submit plans.

### Enforcement

CPA Saskatchewan researched and implemented an integrated process to manage inquiries that focuses on achieving the appropriate regulatory outcome. The process

involves an enquiry stage between intake and investigation and focusing investigation resources and the Professional Conduct Committee and its chair/vice-chair on cases involving potential professional misconduct.

The Professional Conduct Committee held four meetings in 2018/19 and has the authority to recommend matters as no further action, as no further action with directive or to the discipline committee for a hearing.

There were seven disciplinary hearings and one appeal to the Board held in 2018/19. The discipline decisions and orders are made publicly available on our website.

In addition to our functional areas, CPA Saskatchewan has established a task force to make recommendations to the Ministry of Justice (Office of the Public Registry Administration) with respect to assurance services to Not-for-Profit Corporations. We met with representatives of the Office of Public Registry Administration and their registry contractor Information Services Corporation to present and discuss CPA Saskatchewan's 'Report on the Administration of the Not-for-Profit Corporations Act', specifically the financial statement and assurance services provider requirements.

CPA Saskatchewan also established a working group that participated in a consultation on proposed amendments to *The Business Corporations Act*.

### Designation of Choice & Growth

The registration of members and firms continues to increase. Our number of candidates and number of CFE writers has remained consistent with the prior year. At March 31, 2019 there were 665 candidates registered in the professional education program (PEP).

It is our continued goal to grow the profession, both in terms of the number of members and candidates as well as growth in the demand for CPAs in the marketplace. The CPA Professional Education Program (PEP) is developed by CPA Canada. We are very fortunate to work closely with the other western provinces in partnership to have the CPA Western School of Business (CPAWSB) deliver the PEP to all candidates in western Canada. The CPAWSB also delivers the preparatory courses. The success of our candidates is the result of the quality of the program, the facilitators, the mentors and the strength of the candidates that we have been fortunate to recruit. This year we celebrated 117 candidates who successfully passed the CFE.



CPA Saskatchewan 2019 Convocation

We are proud to congratulate Jordan Anhold, Micah Neufeld, and Brendan Kozun, who were named to the National CFE Honour Roll. It is a significant accomplishment to be recognized as one of the top 68 candidates from across the country on the September 2018 offering of the CFE.



Jordan Anhold, Micah Neufeld, Terry LeBlanc, BBA, FCPA, FCGA and Brendan Kozun

Another critical component in the development of new CPAs is practical experience. Our program includes two training options – the pre-approved program route and the experience verification route – as paths for our candidates to meet their practical experience requirements. CPA Saskatchewan continues to make

significant investments in assisting candidates, mentors and employers with the CPA practical experience requirements.

A key feature of the program is that all CPA candidates must be mentored by a CPA. Volunteers are key to ensuring the success of the aspiring CPAs in gaining the competencies required through practical experience to earn the CPA designation.

We encourage our members to be proud of their designation and to continue to recruit candidates into the profession. This can be accomplished by sharing your story and also by providing training opportunities for the candidates to meet the practical experience requirements. We work to build relationships with employers in both industry and public practice, encouraging partnerships for training candidates and hiring future CPAs.

To continue our efforts to assist students and faculty members in their pursuit of achieving excellence in accountancy, CPA Saskatchewan provides funding to the Faculty of Business Administration at the University of Regina and the Edwards School of Business at the University of Saskatchewan. In the prior year, we started our work as presenting sponsor for the Edwards School of Business Centennial celebrations. CPA Saskatchewan staff attended several of the organized events throughout the year and participated in the final All Years Reunion in September.

We continue to raise awareness of the Canadian CPA profession through the national branding strategy created by CPA Canada. The national branding strategy and multimedia advertising campaign creates awareness of the Canadian CPA as the pre-eminent, globally respected business and accounting designation. With over 210,000 CPAs within Canada and abroad, the campaign is reinforced by provincial CPA organizations across the country in a variety of local recruitment activities and ongoing marketing and communication initiatives. The evolution of the brand campaign continues to strengthen awareness and recognition of the value of the designation, and showcases the benefits CPAs bring to the business world.

Debunking the myth of the "boring" accountant is the theme of this year's national brand campaign. Designed to shift stereotypical views, the campaign illustrates the diversity and sometimes unconventional roles that CPAs play in a variety of industries. Utilizing real-life examples with humour and a strong visual appeal, the campaign will leverage television, billboards, social media and digital platforms to showcase CPAs who are breaking the stereotype every day.

## Member Engagement

CPA Saskatchewan hosts a very comprehensive professional development (PD) program with relevant courses in many subject areas. We ensure that all standards related courses comply with the standards of professional practice as published by CPA Canada. The goal of the PD program is to provide opportunities for our members to enhance their competence through increased knowledge and skills development. This year we offered approximately 130 in person sessions, and approximately 100 online offerings in various formats, including e-learning, live broadcasts or webinars. We offered a spring PD program and have seen a great response from our members with these additional learning opportunities. We were pleased to offer the Tax Forum again this year in partnership with Felesky Flynn LLP.

The September CPA Saskatchewan Board meeting was held in North Battleford where staff and Board members were able to discuss important issues including growing the profession in smaller Saskatchewan urban centers. The Board members and staff also toured the province for our annual fall member outreach sessions. These lunches allow members to meet with the Board and staff to ask questions and discuss issues related to the profession.

Technology, geopolitical instability, changing societal perspectives, environmental and economic issues are all driving unprecedented change in the accounting profession. During the year, the CPA profession initiated *CPA Canada Foresight: Reimagining the Profession*. This significant project provides an opportunity for the profession to consider the changing environment and to reimagine the future of the profession. During our member outreach, we hosted lunches in Regina and Saskatoon that featured a presentation about the Foresight project. Phase 1 of the project is now complete, and the report is available on the CPA Canada website. Phase 2 will begin in 2019/20 and CPA Saskatchewan will continue to be very involved in the project.

Some of the CPA Saskatchewan events that we celebrated included:

- Conference in Regina in June where members heard from a variety of speakers and were able to learn and also network with fellow members.
- The Member Recognition Gala in October, where we celebrated our many volunteers and congratulated Terry Downie on receiving his FCPA.
- Convocation on March 16 celebrating the 117 successful CFE writers



Terry Downie, FCPA, FCA and Mike Pestill, FCPA, FCMA

CPA Saskatchewan was very excited to share our fresh new website with our members. The new design allows members better access to information in an easy to find format. We continue to work on updating it to ensure it remains user friendly and the go to place for members to find information.

## Financial Performance

CPA Saskatchewan is financially sound with unrestricted net assets of \$3.5M.

The results of operations for CPA Saskatchewan for the year ended March 31, 2019 are included in the financial statements. These statements show a surplus for the year of \$87,400.

The most significant sources of revenue included in the financial statements are from member and firm fees. Revenue from professional development, conference and convocation is included in member services and events. The candidate and student fees include annual fees from three sources: the CPA Saskatchewan share of fees from PEP candidates related to practical experience and recruiting, fees from the legacy CMA and CGA candidates who have completed the legacy education program but have not yet met the practical experience requirements, and recoveries from CPA Canada related to the development of the education programs.

The most significant expenses are categorized in member services and events, regulatory functions and administration. The member services and events include the costs of the professional development courses, conference and convocation. The regulatory costs include the costs to meet our primary objective of the protection of the public. The administration expenses include all salaries which is the largest expense in this category. The second most significant administration expense is occupancy costs.

The financial statements at March 31, 2019 shows a surplus of \$87,400 as compared to a deficit budget of \$110,000. There were three areas that had the most significant impact on the surplus.

The first is the reimbursement of recruiting costs by the CPAWSB of \$294,000. The CPAWSB collects the candidate/student fees which are intended to cover the full education costs. The recruiting costs were reimbursed by the CPAWSB for the first time in 2018/19.

The second area is the national education costs. Costs of the ongoing development of the CPA education program including evaluation costs are incurred by CPA Canada. Through an education agreement with all provinces, these costs are shared by the provinces. This year, there was a surplus incurred in activities related to the education agreement. As a result, CPA Saskatchewan's share of the national education surplus was \$19,400. In 2019/20, a substantial deficit is budgeted as there are planned significant expenditures to be made to invest in the future of education.

The last area is the costs of the professional conduct and discipline processes. There were significant costs incurred as a result of holding four formal hearings and three informal hearings, as well as one appeal to the Board.

Effective April 1, 2019, CPA Saskatchewan entered into two agreements signed between the CPA bodies in Alberta, British Columbia, Manitoba, and Saskatchewan and the CPAWSB. CPAWSB will now deliver and administer pre-certification education as an agent on behalf of each of the provincial bodies. The revenue earned and expenses incurred by CPAWSB will be allocated to each provincial body based on the number of learners in each province.

Prior to year end, CPAWSB collected annual candidate and student dues and course module fees on behalf of CPA Saskatchewan for the 2019/20 fiscal year. CPA Saskatchewan has recorded these amounts as deferred revenue with a corresponding amount in accounts receivable.

# **The Institute of Chartered Professional Accountants of Saskatchewan**

## **2018-19 Financial Statements**

**For the year ended March 31, 2019**



## INDEPENDENT AUDITORS' REPORT

**To the Members,  
The Institute of Chartered Professional Accountants of Saskatchewan**

### *Opinion*

We have audited the accompanying financial statements of **The Institute of Chartered Professional Accountants of Saskatchewan** which comprise the statements of financial position as at March 31, 2019, and the statements of operations and 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 Institute of Chartered Professional Accountants of Saskatchewan as at March 31, 2019, and the results of its operations and 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 Auditors' 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 Saskatchewan, 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.

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

Management is responsible for the preparation and fair presentation of the 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 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 but to do so.

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

### *Auditors' 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 auditors' 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.

## INDEPENDENT AUDITORS' REPORT continued

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

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

May 22, 2019  
Regina, Saskatchewan

VIRTUS GROUP LLP  
Chartered Professional Accountants

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **The Institute of Chartered Professional Accountants of Saskatchewan** (the "Institute") have been prepared by the Institute's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgment and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Institute's Board has delegated certain responsibilities to the Audit Committee, including the responsibility for reviewing the annual financial statements and meeting with management and external auditors on matters relating to the financial reporting process and the Institute's system of controls.

The Board has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, Virtus Group LLP, and their report is presented separately.

A handwritten signature in black ink that reads "Shelley Thiel". The signature is written in a cursive style and is positioned above a horizontal line.

**Shelley Thiel, FCPA, FCA**  
**Chief Executive Officer**

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2019**

<b>ASSETS</b>		<u>2019</u>	<u>2018</u>
<b>Current assets</b>			
Cash and short term investments (Note 3)		\$ 1,469,300	\$ 1,510,500
Accounts receivable (Note 9)		1,367,300	229,100
Prepaid expenses		71,800	63,000
		<u>2,908,400</u>	<u>1,824,500</u>
<b>Long term investments (Note 3)</b>		2,426,000	2,162,100
<b>Tangible capital assets (Note 4)</b>		343,800	400,200
		<u>\$ 5,678,200</u>	<u>\$ 4,364,900</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 357,600	\$ 320,900
GST Payable		37,100	-
<b>Fees received in advance (Note 9)</b>		1,420,900	268,800
		<u>1,815,600</u>	<u>589,700</u>
<b>NET ASSETS</b>			
<b>Net assets invested in tangible capital assets</b>		343,800	400,200
<b>Unrestricted surplus</b>		3,518,800	3,375,000
		<u>3,862,600</u>	<u>3,775,200</u>
		<u>\$ 5,678,200</u>	<u>\$ 4,364,900</u>
<b>Commitments (Note 5)</b>			

**APPROVED BY:**



Board Member



Board Member

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN  
 STATEMENT OF CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED MARCH 31, 2019

---

	<u>Investment in tangible capital assets</u>	<u>Unrestricted surplus</u>	<u>Mar 31, 2019 Total</u>	<u>Mar 31, 2018 Total</u>
<b>Opening balance</b>	\$ 400,200	\$ 3,375,000	\$ 3,775,200	\$ 3,489,900
<b>Amortization</b>	(76,700)	76,700	-	-
<b>Purchase of tangible capital assets</b>	20,300	(20,300)	-	-
<b>Excess of revenues over expenses</b>	-	87,400	87,400	285,300
<b>Ending balance</b>	<u>\$ 343,800</u>	<u>\$ 3,518,800</u>	<u>\$ 3,862,600</u>	<u>\$ 3,775,200</u>

---

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

<b>Revenues</b>	<b>2019</b>	<b>2018</b>
Member fees	\$ 2,355,400	\$ 2,358,200
Firm fees	389,800	484,900
Candidate fees	478,900	232,800
Member services and events	878,100	895,600
Regulatory functions	203,300	207,900
Other revenue	105,400	78,200
	<u>4,410,900</u>	<u>4,257,600</u>
 <b>Expenses</b>		
Member services and events	776,500	753,800
Regulatory functions	590,500	296,700
Governance	78,000	92,800
Administration	2,878,500	2,829,000
	<u>4,323,500</u>	<u>3,972,300</u>
 <b>Excess of revenues over expenses</b>	 <u>\$ 87,400</u>	 <u>\$ 285,300</u>

---

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 87,400	\$ 285,300
Amortization	76,700	128,400
Net change in non-cash current assets and liabilities related to operations (Note 6)	78,900	456,200
<b>Cash provided by operating activities</b>	<u>243,000</u>	<u>869,900</u>
<b>Investing activities</b>		
Increase in long term investments	(263,900)	(748,300)
Purchase of tangible capital assets	(20,300)	(14,500)
<b>Cash used in investing activities</b>	<u>(284,200)</u>	<u>(762,800)</u>
<b>Net increase (decrease) in cash</b>	(41,200)	107,100
<b>Cash and short term investments beginning of year</b>	1,510,500	1,403,400
<b>Cash and short term investments end of year</b>	<u>\$ 1,469,300</u>	<u>\$ 1,510,500</u>

---

**1. Nature of operations**

The Institute of Chartered Professional Accountants of Saskatchewan (the "Institute") was established as a corporation by *The Accounting Profession Act* proclaimed in the Saskatchewan Legislature on November 10, 2014. It is a not-for-profit organization under the *Income Tax Act* and therefore is not subject to either federal or provincial income taxes. The objects of the Institute are to regulate the practice of the profession, govern the registrants in accordance with the Act and Bylaws and to assure the public of the knowledge, skill, proficiency and competency of registrants in the practice of professional accounting and other services provided.

**2. Summary of significant accounting policies**

**Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses. Actual amounts could differ from these estimates.

**Financial instruments - recognition and measurement**

Financial assets and financial liabilities are recorded on the statement of financial position when the Institute becomes party to the contractual provisions of the financial instruments. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be reversed if the value subsequently improves.

**Cash and cash equivalents**

Cash is comprised of short term investments and demand deposits. The short term investments are highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**Investments**

Investments are reported at fair market value.

---

2. **Summary of significant accounting policies (continued)**

**Tangible capital assets**

Tangible capital assets are stated at cost. Office equipment and leasehold improvements are amortized on the straight-line basis over ten years. Computer hardware and software are amortized on the straight-line basis over three years.

**Revenue recognition**

Member fees, firm fees, and candidate/student fees are recorded as revenue in the accounting period to which they apply. Revenues from member services and events are recognized in the period when the events are held.

3. **Cash and investments**

	2019	2018
Long term investments	\$ 2,426,000	\$ 2,162,100
Short term investments	726,800	1,078,300
Marketable securities and cash	742,500	432,200
Total cash and investments	<u>\$ 3,895,300</u>	<u>\$ 3,672,600</u>

Long term investments consist of long term guaranteed investment certificates and federal, provincial, and A rated bonds with maturity dates ranging from June 2020 to December 2048 and an average interest rate of 2.53% (2018 – 2.32%).

Short-term investments consist of guaranteed investments certificates with an average interest rate of 1.55% (2018 – 1.76%)

4. **Tangible capital assets**

	Cost	Accumulated Amortization	Net Book Value 2019	Net Book Value 2018
Office equipment	\$ 219,800	\$ 148,700	\$ 71,100	\$ 81,800
Computer hardware	72,800	45,600	27,200	23,100
Computer software	300,200	300,200	0	1,000
Leasehold improvements	487,800	242,300	245,500	294,300
	<u>\$ 1,080,600</u>	<u>\$ 736,800</u>	<u>\$ 343,800</u>	<u>\$ 400,200</u>

During the period, tangible capital assets were amortized in the amount of \$76,700 (2018 - \$128,400).

5. **Commitments**

The Institute is committed to annual lease payments for office space and equipment as follows:

2020	\$431,300
2021	\$338,500
2022	\$334,700
2023	\$329,500
2024	\$192,200

**6. Net change in non-cash current assets and liabilities related to operations**

The net change in non-cash current assets and liabilities related to operations consists of:

	2019	2018
Decrease (increase) in accounts receivable	\$ (1,138,200)	\$ 120,400
Decrease (Increase) in prepaid expenses	(8,800)	35,300
Increase (decrease) in accounts payable & accrued liabilities	36,700	151,800
Increase (decrease) in GST payable	37,100	0
Increase (decrease) in dues and fees received in advance	1,152,100	148,700
	\$ 78,900	\$ 456,200

**7. Chartered Professional Accountants of Canada (CPA Canada)**

CPA Saskatchewan has an agreement with Chartered Professional Accountants of Canada (CPA Canada) to work together to achieve a common mission and vision, to administer affairs in accordance with agreed principles, and to act in the spirit of trust to best serve the interests of the CPA profession and the public. The provincial associations such as the Institute share in the cost of the operations of the national committees. The Institute also collects member fees on behalf of CPA Canada and remits those to CPA Canada.

**8. Chartered Professional Accountants Western School of Business (CPAWSB)**

The Bylaws of the Institute allow the Board to approve an educational institution to administer the registration of candidates and the delivery of the CPA Canada professional education program. The CPA Western School of Business (CPAWSB) delivers and administers pre-certification education to candidates and students in the four western provinces and the territories, in accordance with an agreement signed by the CPA bodies in Alberta, British Columbia, Manitoba, and Saskatchewan and the CPAWSB effective September 29, 2015. Effective June 1, 2018, the western CPA provincial bodies approved changes relating to the governance structure of CPAWSB. The Board of Directors of CPAWSB is now comprised of the CEOs from the four western provinces.

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 CPA Saskatchewan. Accordingly, no ownership interest of CPAWSB is reflected in the financial statements. If a member 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.

During the year ended March 31, 2019, CPA Saskatchewan charged \$500,800 (2018- \$163,400) to CPAWSB for operating costs incurred on behalf of CPAWSB. The transactions are in the normal course of operations, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due from CPAWSB at March 31, 2019 totaled \$1,177,700 (2018- \$300) and are included in accounts receivable. There are no amounts due to CPAWSB at March 31, 2019 (2018 - \$0).

---

## 9. Subsequent Event

Effective April 1, 2019, CPA Saskatchewan has entered into two agreements signed between the CPA bodies in Alberta, British Columbia, Manitoba, and Saskatchewan and the CPAWSB. As per the operating agreement, CPAWSB will deliver and administer pre-certification education as an agent on behalf of each of the provincial bodies. The revenue earned and expenses incurred by CPAWSB will be allocated to each provincial body based on the number of learners in each province.

Prior to year end, CPAWSB collected annual candidate and student dues and course module fees of \$1,149,400 on behalf of CPA Saskatchewan pertaining to the programs to be delivered on or after April 1, 2019, which CPA Saskatchewan has recorded as deferred revenue with a corresponding amount in accounts receivable.

## 10. CPA Insurance Plans West (CPAIPW)

CPA Insurance Plans West (CPAIPW) administers benefits plans for members of the CPA bodies in Alberta, British Columbia, Manitoba, Saskatchewan and the Territories.

CPAIPW is a not for profit organization under the *Income Tax Act* and therefore is not subject to income taxes. The Board members are appointed by the western provincial bodies.

During the year ended March 31, 2019, the Institute paid benefit plan premiums for its employees to CPAIPW totaling \$59,000 (2018 - \$62,000). CPAIPW provided sponsorships to the Institute of \$8,500 (2018 - \$3,500). 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.

## 11. Financial risk management

The Institute has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Institute is exposed are:

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute is exposed to credit risk on the accounts receivable from its members, however, does not have a significant exposure to any individual customer or counterpart. In order to reduce its credit risk, the Institute regularly reviews outstanding accounts receivable and follows internal collection policies.

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Institute's exposure to liquidity risk is dependent on the receipt of funds from its operations, external borrowings and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements and are considered adequate to meet the Institute's financial obligations.

# Members of the CPA Saskatchewan Board 2018-19



Mike Pestill, FCPA, FCMA  
*Chair*



Diana Adams, CPA, CA  
*Vice-Chair*



Shelley Thiel, FCPA, FCA  
*CEO*



Bill Hill, FCPA, FCA, CMA  
*Registrar*



Glen Bailey, FCPA, FCA



Carrie Carson, CPA, CA



Clay Dowling, P. Log.  
*Public Appointee*



Paul Jacob, CPA, CMA



Doug Kosloski, Q.C.  
*Public Appointee*



Gayle Holman, FCPA, FCMA



Darcy Spilchen, CPA, CA, CMA



Bob Korol, FCPA, FCMA



Martin McInnis, FCPA, FCMA



Rodney Sieffert, CPA, CA



Laurie Thomas, CPA, CA

# Members Serving on CPA Saskatchewan Committees

## Committees of the Board

### Audit

Laurie Thomas, CPA, CMA, Chair  
Gayle Holman, FCPA, FCMA  
Martin McInnis, FCPA, FCMA  
Rodney Sieffert, CPA, CA

### Future Innovations

Clay Dowling, P. Log.  
Bob Korol, FCPA, FCMA  
Mike Pestill, FCPA, FCMA  
Laurie Thomas, CPA, CMA

## Regulatory Committees

### Registration

Don Walker, CPA, CGA, Chair  
James Barr, CPA, CA, Vice-Chair  
Chelsey Berrecloth, CPA, CMA  
Rhonda Burfitt, CPA, CMA  
Anna Chornousenko, CPA, CA  
Tiffany Eide, CPA, CA  
Ashraf El Bakri, CPA, CA  
Kama Leier, CPA, CA  
Martin McInnis, FCPA, FCMA, Board Liaison  
Rebecca Preciado, CPA, CA  
June Schultz, CPA, CMA  
Darcy Spilchen, CPA, CA, CMA, Board Liaison

### Governance

Doug Kosloski, Q.C., Chair  
Diana Adams, CPA, CA  
Glen Bailey, FCPA, FCA  
Gayle Holman, FCPA, FCMA  
Bob Korol, FCPA, FCMA

### HR & Nominating

Carrie Carson, CPA, CA, Chair  
Clay Dowling, P. Log.  
Paul Jacob, CPA, CMA  
Bob Korol, FCPA, FCMA

### Rules

Victor Schwab, CPA, CA, Chair  
Glen Bailey, FCPA, FCA, Board Liaison  
Kevin Blelloch, CPA, CA  
Carrie Carson, CPA, CA, Board Liaison  
Linda Close, CPA, CMA  
Ross Harwood, FCPA, FCA  
Gayle Holman, FCPA, FCMA, Board Liaison  
Bob Korol, FCPA, FCMA, Board Liaison  
James Salamon, FCPA, FCA  
Laurie Thomas, CPA, CMA, Board Liaison

## Regulatory Committees (continued)

### Discipline

Cary Hewitt, FCPA, FCA, Chair  
Craig Hinz, FCPA, FCA, Vice-Chair  
John Amundson, FCPA, FCA  
Dave Barnard, CPA, CA  
Merlis Belsher, FCPA, FCA  
Jana Blais, CPA, CMA  
Dwayne Dahl, CPA, CA  
Judy Ferguson, FCPA, FCA  
Kyla Hillmer, CPA, CMA  
Doug Kalesnikoff, FCPA, FCA  
Annette Klassen, CPA, CGA  
Doug Kosloski, Q.C., Board Liaison, Public Appointee  
Laurette Lefol, CPA, CMA  
Dan Li, CPA, CA  
Daryl Lindsay, FCPA, FCA  
Travis Massier, CPA, CMA  
Ken McDougall, Public Representative  
Jan McLellan Folk, FCPA, FCMA  
Davey McLellan, CPA, CA  
Shawn Peters, CPA, CA  
Stuart Pollon, CPA, CA  
Barry Remai, FCPA, FCA  
Al Scholz, PAg, CMC, ICD.D, Public Representative  
Gerry Smysnuik, CPA, CA  
Edwin Tiefenbach, FCPA, FCMA

### Professional Practice

Sheila Fillion, CPA, CA, Chair  
Dennis Pritchard, CPA, CGA, Vice-Chair  
Diana Adams, CPA, CA, Board Liaison  
Sherri Brophy, CPA, CA  
Asma Gehlen, CPA, CGA  
Dennis Heincke, CPA, CGA  
Cyril Kesten, PhD, Public Representative  
Ted Lewis, CPA, CMA  
Jeff Persic, CPA, CA, CGA  
Marlyn Phillips-Leson, CPA, CGA  
Lorelei R. Johns, CPA, CA  
Adynea Russell, CPA, CA  
Trevor St. John, CPA, CA  
Marla Yeadon, CPA, CGA

### Professional Conduct

Ian Rea, FCPA, FCMA, Chair  
Carolyn O'Quinn, CPA, CA, Vice-Chair  
Shaun Augustin, CPA, CMA  
Kathryn Bankowski, CPA, CA  
Cheryl Bauer Hyde, FCUIC, CFP, Public Representative  
Glen Berger, FCPA, FCA  
Rochelle Burkowski, CPA, CMA  
Britany Burnett, CPA, CGA  
Joy Crawford, CPA, CMA  
Doug Finnie, Public Representative  
Marc Franklin, CPA, CMA  
Kristen McGowan, CPA, CA  
Amanda Mulder, CPA  
Juanita Pandya, CPA, CMA  
Vicki Siwic, CPA, CA

# CPA Saskatchewan Staff

Shelley Thiel, FCPA, FCA  
Chief Executive Officer

William Hill, FCPA, FCA, CMA  
Senior Director Regulatory Affairs and  
Registrar

Mapula Akinloye  
Administrative Assistant, Regulatory Affairs

Pakiza Batool  
Administrative Assistant, Regulatory Affairs

Rita Bennett  
Recruitment and Events Coordinator

Myrna Büttner Stahl, Hon. CPA  
Director of Member Events &  
Communications

Rhonda Day  
Member Services Assistant

Sherry Howell  
Accountant

Leigha Hubick, CPA, CA  
Director, Regulatory Affairs

Vanessa Kohlenberg  
Associate Director, Registration

Vienette Levesque  
Administrative Assistant, Regulatory Affairs

Shelley Lukasewich, CPA, CGA  
Director of Operations and Member and  
Candidate Services

Debbi McCaig-Paisig, CPA, CMA  
Associate Director, Regulatory Affairs

Rebecca Parry  
Executive Assistant

Michelle Reimer  
Operations Assistant

Sherri Schmidt  
Senior Administrative Assistant,  
Regulatory Affairs

Annette Skalicky  
Administrative Assistant, Regulatory Affairs

Lindsay Springer  
Administrative Assistant

Jennifer Zerr, CPA, CA  
Associate Director, Monitoring and Licensing



The Institute of Chartered Professional Accountants of Saskatchewan

101 - 4581 Parliament Avenue

Regina SK S4W 0G3

Tel: 306-359-0272 Fax: 306-347-8580

Info@cpask.ca www.cpask.ca