

RESILIENCE

ANNUAL REPORT 2020

A decorative graphic on the left side of the page consists of several vertical lines of varying colors (blue, magenta, orange, green, light blue, and grey) that are slightly curved and appear to be part of a larger, abstract design.

WE **PROTECT** THE PUBLIC

WE **ADVANCE** OUR PROFESSION

WE **GUIDE** OUR CPAs

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MESSAGE FROM OUR **PRESIDENT & CEO**

A DEFINING MOMENT

As I reflect on everything that happened this past year and everything we learned, I start this fiscal year with a new perspective and an enhanced appreciation for our team and our profession.

We closed our fiscal year just as the COVID-19 pandemic presented our organization with difficult decisions having to be made and so much unknown to us. What we did know is that everyone's safety had to be our top priority.

The most challenging decision was to cancel our Convocation in March. What made this decision all the more difficult is that many of the students we planned to celebrate were those who had experienced technical difficulties during the September 2019 Common Final Examination (CFE). These students demonstrated their exceptional ability to adapt and perform under difficult circumstances – a skill set that will serve them and the future of our profession well.

At the same time, we also had to make plans to continue our core operations while moving our employees home. Just six months after our move to a new office, we moved to a remote-work environment. Throughout this time, our team's commitment to protecting the public remained steadfast. And while the situation was disruptive, it quickly revealed the benefit of CPA Ontario's investments in digital transformation.

That ability to adapt was evident throughout our profession. As an essential service, CPAs are routinely called upon to act as trusted advisors. In times of crisis, that role becomes even more critical. Ontario's CPAs have stepped up to the challenges of this complex environment, accelerating their adoption of digital solutions, staying on top of evolving government support

programs, and maintaining longstanding traditions of giving back to their communities.

When COVID-19 became ever-present in our daily lives, frontline healthcare workers were striving tirelessly to help all of us. As a profession, we wanted to support them in our own unique way. Our Accounting for Bravery initiative provided relief to frontline healthcare workers and their families by completing their tax returns, free of charge. Nearly 4000 healthcare workers benefited, a figure that demonstrates the breadth of the program's impact. It was an incredibly proud moment for our profession, and I extend my heartfelt thanks and gratitude to those who lent their support.

With such an exacting year behind us, it's difficult to avoid looking in the rearview mirror, but we must focus on the road ahead. As our world navigates these challenges, CPAs will continue to be the backbone and lifeblood of the business community. CPA Ontario will be there to guide and support our profession as we all seek to adapt and evolve to the next normal.

Thanks to all of our members, students and firms for their part in upholding the standards of the profession during a challenging time. Thanks as well to our Council members and the entire CPA Ontario team – many of the achievements in this report are a direct result of their hard work, collaboration and commitment.

CAROL WILDING FCPA, FCA

PRESIDENT AND CHIEF EXECUTIVE OFFICER



MESSAGE FROM OUR COUNCIL CHAIR

A YEAR OF REMARKABLE ADAPTABILITY

What a difference a year makes.

Over the last 12 months, the CPA profession has faced immense challenges. But if it is true that difficult events can often bring out the best in people, the past year has shown just how remarkably resilient we are.

The outbreak of the COVID-19 pandemic led to rapid changes in how we all live and work. Despite the significant disruption, we seamlessly adapted to the change and embraced our new remote reality.

While the strategic decisions of the past have allowed us to succeed in meeting the current challenges, we must remain focused on the future. In an era of rapid technological change, we continue to integrate new knowledge into our profession at all levels.

Amidst the challenges we were faced with this year, we remained steadfast in our commitment to protecting the public interest. In fact, the past year brought significant advances to our core mandate with the implementation of an enhanced risk-based approach to our inspections and the expansion of our compliance function. The year ahead will see a continuation of strengthening our regulatory effectiveness with a focus on keeping pace with digital acceleration. Our 2020 Regulatory Report shares further details about the strides we have made and outlines how we will continue to make progress.

As we look ahead to what remains an uncertain “next normal,” Council is committed to ensuring

that we are well positioned to tackle anything that comes our way. To help achieve this, we are continuing to expand the skills and attributes of our Council as well as our regulatory and adjudicative committees. By ensuring we have diverse skills around the virtual tables, we are further modernizing our stewardship so the profession can navigate with even greater confidence.

Our Council and committees are made up of volunteers who generously give their time to help guide the profession forward. Giving back is a true hallmark of our profession, even in highly disruptive times, and I would like to thank everyone who donated their incredible skills and expertise. These collective efforts supported our profession greatly this year and will extend well into the future.

As I close on my first year as Chair, it has been an absolute honour to work with such a dedicated team. Every one of my Council colleagues is committed to advancing the profession beyond familiar borders to protect the public interest and continue to serve our members, students and firms through uncertain times.

If adversity reveals character, then the CPA Ontario team’s commitment to professional excellence has never been clearer. On behalf of Council, I thank you all for your hard work and support.

ANITA K. FERRARI FCPA, FCA
CHAIR

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OUR STRATEGIC PRIORITIES

ATTRACT

A ROBUST PIPELINE OF NEW ENTRANTS TO THE PROFESSION

As the demand for highly skilled business leaders continues to grow, education and advanced development options for talented people are proliferating. Globally recognized and trusted, the CPA designation opens the doors to a diverse and nearly limitless set of opportunities. To continue attracting talented people to our profession, we are taking many steps to ensure that the brightest and most strategic minds understand that becoming a CPA leads to a rewarding and diverse career. We're expanding the range of outreach and recruitment activities we undertake to attract outstanding candidates – from top graduates in business, accounting and finance programs to internationally educated professionals seeking to adapt their skills and credentials to the Canadian market. From our extensive network of post-secondary relationships across Ontario to our partnerships in important economies around the world, we're drawing strong new candidates to pursue our designation.

MAINTAIN

HIGH STANDARDS

CPA Ontario regulates its members, students and firms with a mandate to protect the public interest and maintain the good reputation and integrity of the profession. Setting high standards through our regulatory framework and rules of professional conduct and protecting them rigorously has always been – and always will be – central to our mission. Through practice inspections, registrations, investigations and where required, disciplinary action, we protect the public and safeguard their confidence in our designation. CPA Ontario's commitment to upholding the public trust has always been steadfast. Under our current strategy, that commitment is manifest not only in our rules and monitoring work but in the culture we foster in collaboration with our members. Our CPA Code of Professional Conduct, our intensive ongoing professional development requirements and the increasing openness and transparency of our discipline processes all reflect the seriousness with which we embrace the standards, norms and values of our profession.

BUILD

MEMBER CONNECTIVITY

Today's professionals need to navigate through complexity to drive success in an ever-changing marketplace. We know our members are constantly investing in their own future performance by adopting rapidly accelerating tools and technology, analyzing emerging trends, and networking with new partners. One of our core strategic objectives is to serve as a resource to members as they expand their own capabilities and networks. As our members work to create value for their clients and organizations, we support them by connecting them with peers, subject-area experts and learning resources. In addition to helping members excel professionally, we also help them thrive as individuals and as community members by connecting them with opportunities for contribution, engagement and thought leadership.

CREATE

A STRONG BRAND AND DEMAND

CPAs have insights and expertise that keep organizations moving forward. CPA Ontario promotes CPAs' perspectives and amplifies their voices through events, public engagement and opportunities for community leadership. Showcasing the unique value our profession brings to organizations and economies is vital. We seek to tell the stories of our members and partner with forward-thinking organizations to showcase the diverse skillsets CPAs possess. Strategic partnerships with organizations including Collision, The Economic Club of Canada and Toronto Region Board of Trade build public awareness of our designation and the remarkable professionals who are part of it. A strong reputation benefits all CPAs: it reinforces CPAs' skills and value; it attracts talented new entrants to the profession; and it ensures that CPAs have a place at key leadership tables where their insights can help drive prudent, evidence-based strategies.

COMMITTED TO PROTECTING THE PUBLIC

Strong regulatory oversight has always been essential in protecting the public and maintaining the integrity of the profession. But in times of uncertainty and disruption, that oversight is more critical than ever.

At CPA Ontario, our commitment to protecting the public is steadfast. Just as our members have continued to support their clients, organizations and communities during a time of extraordinary change, we continue to support our members, students and firms while fulfilling our regulatory duties.

Meeting that mandate in such a rapidly evolving environment, however, has required a number of adjustments. As soon as the COVID-19 pandemic emerged, our regulatory team mobilized swiftly to implement policies and procedures that allowed us to fulfill our regulatory duties during a challenging time. Adjustments included shifting to virtual practice inspections, conducting online hearings and moving Professional Conduct Committee meetings to a videoconference format.

Going forward, our priority remains advancing our public interest mandate, ensuring that all CPAs abide by regulations and by-laws, and maintaining the good reputation of the profession. Full details are outlined in our second annual Regulatory Report.

PROFESSIONAL ADVISORY SERVICES

Soon after COVID-19 emerged, the Government of Ontario deemed the work CPAs do to be an essential service during the pandemic. But the rapidly evolving business landscape saw a fast-moving situation with many variables. Leaders across the province worked to determine how COVID-19 was going to impact their business and their clients. Throughout this time, our Professional Advisory Services team – a key resource in helping the profession understand its obligations – provided guidance on a variety of topics, including technical standards, CRA filings and practice management issues. The team also took a more proactive approach to assist members, students and firms in managing potential issues by developing a resources page on the CPA Ontario website. This online library consolidated COVID-related developments from around the province and the world to provide targeted guidance.

While COVID-19 underscored the importance of the guidance provided, the Professional Advisory Services' value extended far beyond providing support during the outbreak. Questions throughout the year included how to respond to requests for client information, what to do if asked to act unethically by a supervisor or client, and how to proceed if your independence is compromised. In fact, our experienced advisors responded to almost 5000 queries from members, students, firms and the public throughout the year. This guidance supports these groups with better knowledge, helps to protect the public and improves the overall quality of the profession.

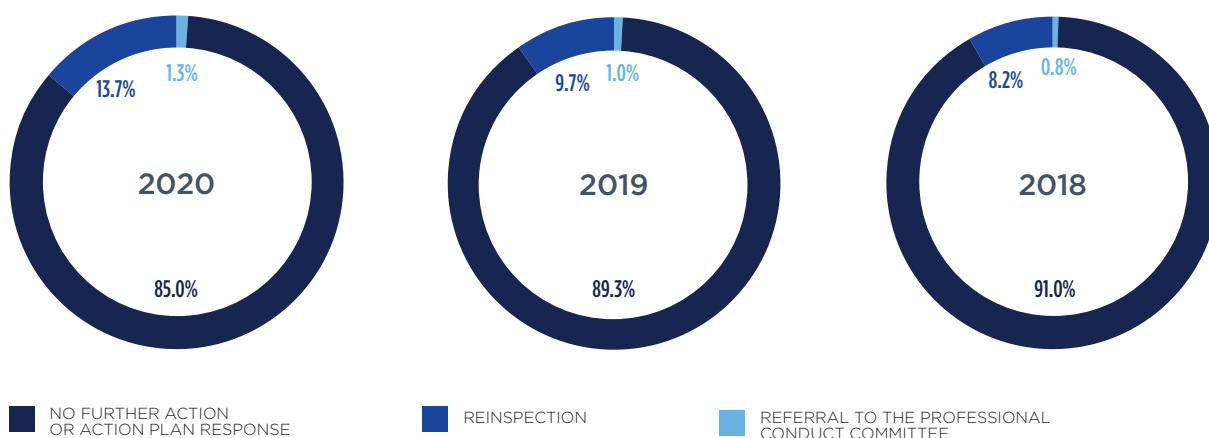
SPOTLIGHT ON COMPLIANCE

From Continuing Professional Development (CPD) to other obligations, members and firms must meet a clear set of expectations in order to remain in good standing. These obligations contribute to a system that ensures CPAs maintain a certain competency level throughout their careers and that the public is protected when they choose to work with our members.

Over the past year, the Registrar's Office has increased the overall number of audits and reviews we conducted to confirm compliance with the profession's regulations and by-laws. This includes a triennial CPD audit to ensure members are meeting their obligation to take a minimum of 20 hours of CPD each year and 120 hours over a three-year period. We selected nearly 2800 members for audit, of which 85 per cent were in compliance with CPD requirements, 11 per cent were provided guidance, and four per cent face suspension. We also audited members claiming an Annual Membership Dues reduction or exemption for the year. Additionally, we conducted a review of firms' compliance with professional liability insurance requirements, which are in place to protect members of the public who engage with CPA firms.

In improving and expanding our compliance function, CPA Ontario enhances public protection and demonstrates the profession's ongoing ability to self-regulate.

RESULTS OF ASSURANCE PRACTICE INSPECTIONS



PRACTICE INSPECTIONS

Practice inspections are a key component of our regulatory activities. We regularly inspect members and firms engaged in public practice to ensure they are in compliance with professional standards. As part of our inspection program, we assess quality control, review assurance and compilation agreements, and also help to educate practitioners. All of this works to improve adherence to standards while increasing confidence in the integrity of financial information.

In total, we inspected 1363 practising offices (including 547 assurance offices), 94 per cent of which did not require further action or required a specific course of action (85 per cent relating to assurance offices). The remainder faced remedial action ranging from reinspection to referral to the Professional Conduct Committee for possible disciplinary action.

We also took a more focused approach to our practice inspections by targeting engagements in two nascent industries: crypto-assets and cannabis. Deficiencies were found in the crypto-asset files that were inspected, including inadequate evaluation of fraud risk factors, insufficient evidence to support the completeness of revenue and a lack of support for crypto-asset mining management fees. While our inspections of cannabis engagements did not

reveal significant deficiencies, we will continue to closely monitor developments in these and other emerging industries and perform additional targeted inspections as necessary.

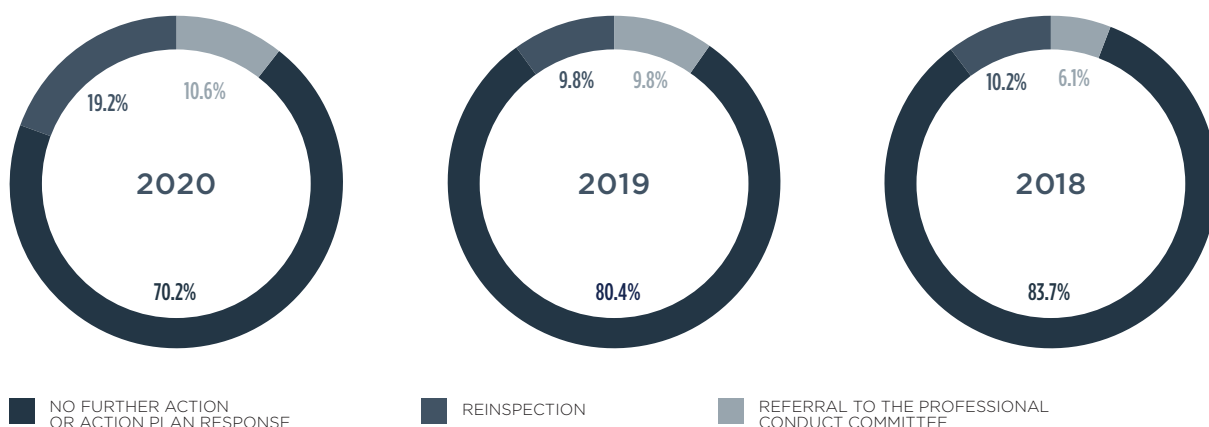
Looking ahead, this risk-based approach to inspections will continue and we will apply greater scrutiny to work considered riskier to the public. That would mean that firms performing more complex, evolving and challenging engagements should expect more frequent inspections.

DISCIPLINARY PROCESS

Our complaints and discipline process is one that constantly strives to protect the public while treating members, students and firms in a fair and transparent way. While it is critical that complaints are given due care, it is also important that they are reviewed in a timely manner.

CPA Ontario's discipline process falls under two complementary groups that work with the Professional Conduct Committee: Standards Enforcement and Investigations and Prosecutions. Standards Enforcement reviews complaints against members, students and firms and determines if the complaint warrants further action. If it does, Investigations and Prosecutions investigates and litigates the case.

RESULTS OF ASSURANCE REINSPECTIONS



In the past, the average time for taking a complaint from submission to decision was 10 months. After delegating some of the powers previously held by the PCC to the Director of Standards Enforcement in 2018 and continuing its risk-based assessment of misconduct, the team reduced the average timeline for high-risk files by nearly 30 days.

Additionally, Standards Enforcement began publishing anonymized guidance from complaints in which the subject of the complaint acted improperly, but not to a degree that warranted full application of our disciplinary measures. Publishing these bulletins allows members to learn from the mistakes of others.

CPA Ontario's Investigations and Prosecutions team completed 46 investigations this year. This included 37 per cent which were closed, 22 per cent which were closed with guidance from the PCC and 37 per cent which were referred to the Discipline Committee for review.

In the upcoming year, CPA Ontario will continue to refine the disciplinary process to ensure it remains fair and timely. In making these improvements, we will continue to increase our regulatory effectiveness and overall efficiency.



CONCLUDED PROCEEDINGS

TRIBUNAL FINDINGS

- In fiscal 2020, we completed 17 discipline and two appeal hearings, the findings and sanctions of which are set out below.
 - Professional Standards and Competence 42%
 - Profession's Reputation 32%
 - Non-Co-operation 21%
 - Due Care, Practice Management and Client Service 5%

TRIBUNAL SANCTIONS

- Number of Proceedings Concluded 19
- Sanctions
 - Fines \$327,500
 - Suspensions 2
 - Revocations 7
 - Practice Restrictions 3
 - Costs Ordered \$501,524

SUCCESSING FOR TODAY AND TOMORROW



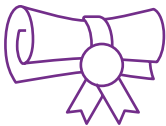
94,770

CPA Ontario members



31,621

Unique users of CPA Ontario's
job board



1,433

CPA Ontario Fellows



6,371

CPAs who participated in our
mentorship program

CPAs are trusted advisors in the face of change. From our local communities to our global economy, CPAs play a critical role across all industries, in government and in public practice. This role was underscored when the Ontario government deemed accounting an essential service during the COVID-19 pandemic. Amid this global crisis, CPAs have been called upon to provide leadership and help their organizations,

clients and communities. To ensure our members continue to succeed now and in the future, CPA Ontario is committed to providing faster and easier access to information, learning opportunities that are responsive to an increasingly disruptive business environment and service offerings that enrich every stage of their professional lives.

STAYING CONNECTED IN A TIME OF CHANGE

Staying connected with our members is important, so we always strive to provide valuable and timely information, improve their overall experience and ultimately help CPAs succeed.

The introduction of Live Chat as a new customer service channel makes it more convenient to connect with a CPA Ontario representative. This new online channel is supported by CPA Ontario's own Chatbot Casey, who provides a quick and easy way to get real-time answers from one of our experts. The adoption rate has been impressive; in its first eight weeks, our Customer Service Centre responded to 7500 inquiries via our Live Chat function.

Our commitment to staying better connected and providing timely information also extends to our website, which we are planning to redesign in the upcoming fiscal year. This new project will create a more seamless online experience.



Accessible through the website or My Portal, the Live Chat tool (with support from Chatbot Casey) has quickly become the most popular way to get in touch with CPA Ontario.

80%

of chats answered within 30 seconds

40%

of all inquiries sent by chat



WOMEN'S CONFERENCE

LEARNING FOR THE PRESENT - AND FUTURE

In a digital age rife with disruption, CPAs need to do more than stay on top of change – they need to stay ahead of it. As the world around us continues to present unprecedented challenges, CPAs are facing increasing expectations of performance and accountability. To meet these growing demands, learning needs to be responsive to the current environment as well as continuous throughout one's career.

CPA Ontario is proud to assist with our members' lifelong journey of learning by offering a robust portfolio of professional development (PD) options. We are continuously expanding, adjusting and enhancing our PD offerings to ensure our members have the tools they need to

thrive. In recognition of members wanting to see enhanced value from their membership, we also provide two free PD courses a year. This year's free offerings saw attendances of 4118 and 6759, respectively.

Over the past year, we have emphasized a technology-driven agenda that highlights key trends shaping the marketplace. This includes the launch of our emerging technologies series of PD that delved into such topics as Artificial Intelligence, data science, cyber security, Tableau and more. We also held our first-ever technology summit, where guest speakers shared their unique perspectives on how to navigate the next wave of technological disruption and offered insights into how CPAs can implement blockchain, AI and cloud-based solutions.



CPAs are stewards of the public trust, so we have also enhanced our PD program by expanding our offerings on ethics. This past fiscal year included an ethics symposium as well as a free interactive course on professional ethics that was delivered by livestream. Going forward, we remain committed to ensuring our PD courses reflect integrity and ethical behaviour, especially as the need for trust continues to rise.

The emergence of COVID-19 also significantly changed our members' learning needs, so we have modified our professional development courses both in format and in content. We worked diligently to transition our in-person courses online and enhance our virtual offerings. Recognizing that our members were managing through a very difficult time, we also released new complimentary eLearning courses to

help them tackle the latest pandemic impacts. This included tax and government assistance, compliance matters and planning opportunities, assurance issues, and financial reporting issues. Given the impact of the pandemic and the convenience of digital delivery, we will continue expanding our digital offerings.

As we look ahead, we're excited to improve the PD journey for members with the planned launch of Next Level, a world-class digital learning experience. This platform will offer a more dynamic, personalized and integrated learning experience that will make it easier for members to track PD and meet their learning needs in the years to come.



ECONOMIC CLUB OF CANADA



PUBLIC SECTOR CONFERENCE



DRIVING CONVERSATIONS THAT MATTER

As part of our commitment to advancing public dialogue and driving conversations that matter, CPA Ontario is dedicated to showcasing the strategic expertise of our profession and participating in key discussions on business, policy and economic issues. Sharing information on emerging issues and engaging in thoughtful discussions help us evolve our reputation within the business community and prepare us to better seize the opportunities of the future. This past year we:

- participated in a panel on Artificial Intelligence at the Ontario Chamber of Commerce's annual Ontario Economic Summit that was immediately followed by an address from the Premier of Ontario
- introduced former U.S. President Barack Obama at an Economic Club of Canada event where members of the profession attended a discussion on the future of work and the new economy
- sponsored the Collision Conference, one of North America's largest tech conferences with more than 25,000 attendees
- supported the Economic Club of Canada's Annual Economic Outlook panel, where we heard insights from some of Canada's top economists
- continued to support the Toronto Region Board of Trade and its role in recognizing business leaders who make significant contributions to the community



INFINITE TECH SUMMIT



ECONOMIC CLUB OF CANADA

EXPANDING THOUGHT LEADERSHIP

To support our profession in navigating the complex challenges on the horizon, we work with Ontario's leading accounting and business schools to pursue cutting edge research and member engagement opportunities on emerging issues.

As well as academic research, our post-secondary institutions' (PSI) funding program supports researchers to translate their work into actionable insights for members. These thought leadership outputs are published on our CPA Ontario Insights page, a new platform developed to showcase our research, whitepapers, videos and discussion content. Notable thought leadership outputs include a series of whitepapers on career paths in the audit profession as well as papers that brought empirical rigour to the ongoing debate about the use of non-GAAP earnings metrics in Ontario's growing technology and startup sectors.

An important element of our research and thought leadership activities is providing opportunities for members to engage with the ideas and issues impacting our profession. To that end, our PSI research centres hosted seven conferences throughout the year that were attended by more than 500 members. These sell-out events are valuable development and networking opportunities for members to discuss their views with academia, industry, government and other subject matter experts. Issues explored cover a wide range of topics, including performance management and budgeting practices in new economy industries, Artificial Intelligence, big data, blockchain, cyber security, governance in family-owned businesses, mental health, accounting ethics, greenwashing and the future of professional accounting.

We look forward to continuing this work in our 2021 thought leadership program as we examine a range of emerging issues including Ontario's intangible economy, environmental, social and governance issues, aging and encore careers, and the contribution of accounting to public policy debate.

BUILDING STRONG CONNECTIONS – AND COMMUNITIES

Bright minds make a bright future. But garnering the type of insights that truly shape the profession requires community, connection and a forum that fosters engagement. CPA Ontario's Communities of Interest are forums to connect our members and bring forward new and future-focused ideas.

They allow members to better engage with their peers, encourage discussion on critical issues and prepare our profession for the years ahead.

Communities of Interest include our Emerging Leaders, CPAs aged 34 and under who are making a difference in their fields and communities. These are innovative and dynamic visionaries who demonstrate the designation's value across an array of industries. By bringing these great minds together at networking events, connecting them with charities and inviting them to chat with our board members, we are better able to advance the future of our profession.

We also continue to build on our Technology Community, which is composed of CPAs who provide valuable insights on the rapidly evolving tech landscape. This group meets to discuss the role of emerging technology and the future of work. Throughout the year CPA Ontario hosted events and discussions that allowed our tech leaders to share their thoughts on technology, talk about challenges and discuss their vision for the future. Our Technology Community is building an impressive network of thought leaders who will guide our profession as technology transforms the business landscape.

Our Insiders community is an online forum where members provide valuable insights on how to enhance the overall member experience and strengthen the CPA designation. CPA Insiders has contributed to key organizational decisions, helped develop new programs and offered valuable feedback on the processes and services that have the greatest impact on the member journey.

CPA Ontario is committed to ensuring that all of our members across the province are engaged on key issues and have a strong voice at the table. As part of this commitment, we're planning to create a Community of Interest focused on public policy issues. This forum will give members an additional opportunity to engage on key municipal and provincial issues that impact the profession.



DID YOU KNOW?

CPA Ontario has 24 local associations across the province that offer networking events and presentations on key business topics for the CPA community. This past fiscal year, CPA Ontario hit the road and visited 11 of those associations. Though cut short due to COVID-19, the tour was a valuable opportunity to engage directly with members on the issues that are important to them. Discussions centred on Ontario's business and political landscape, how CPA Ontario works with government and other organizational highlights.



EMERGING LEADER AWARD

Our Emerging Leader Award recognizes distinguished members of CPA Ontario aged 34 and under who are shaping the profession. Emerging Leaders are innovative and dynamic visionaries who demonstrate the designation's value. Last year we recognized seven recipients at a reception hosted by CPA Ontario where this group was commended for their breadth of experience, social and philanthropic contributions, and governance and entrepreneurial initiatives.





FELLOWS

CPA Ontario was pleased to recognize 55 members as new Fellows (FCPAs) at a presentation ceremony and dinner in December 2019. These newly named Fellows joined a prestigious group of FCPAs in Ontario, who exemplify the values that the designation embodies, including integrity, high ethical standards, leadership and community engagement. Becoming an FCPA is the highest honour bestowed upon a CPA within the accounting profession. It is a reflection of an outstanding career and recognizes excellence in leadership in both business and the community.







3,984

Registered healthcare workers

As soon as the COVID-19 pandemic emerged, CPAs from across Ontario united to support frontline healthcare workers by preparing their taxes free of charge. Named Accounting for Bravery, the profession-wide initiative was organized by CPA Ontario with support from both firms and members.

With thousands of healthcare workers on the frontlines battling COVID-19, CPAs felt compelled to lend their professional expertise to this group of individuals. To help as many nurses, paramedics, lab technicians, cleaners and other frontline workers as possible, Accounting for Bravery covered individual, spousal and dependent children's tax returns. Hundreds of CPAs along with small- and medium-sized firms joined the cause from the word "go," a reflection of the solidarity the profession can draw upon in trying circumstances.

503

CPA volunteers

For volunteer Kayla Levesque, CPA, CA, who teaches full-time at Cambrian College and part-time at Laurentian University, the initiative epitomized what CPAs are all about: trust, expertise and kindness. Having benefited from tax assistance as a student, Kayla continues to pay it forward and has provided free tax services for more than 15 years. Despite administrative and technological hurdles, Kayla and her colleagues mobilized quickly to accumulate all the necessary information from their clients.

What set Accounting for Bravery apart from other initiatives was the palpable humanitarian element, says volunteer Avni Desai, CPA, CA. The healthcare workers she met were glad to have a helping hand and a person to talk to, with some sharing touching personal anecdotes from the front lines. The sole proprietor of Desai CPA, Avni started giving back to her community the day she earned her designation, and she jumped at the chance to help those risking their lives to help us.



LORA BARAZZUOL:

"Never did I think that accountants would play a role in the middle of a global health pandemic. But if there's something we can do to help out, then it's a no-brainer."



KAYLA LEVESQUE:

"I now realize that there isn't one set way to do things, that we need to be versatile and accommodate and change on the fly. As accountants, we did that."



AVNI DESAI:

"Reading their messages brought tears to my eyes sometimes. They're taking care of our health and wellbeing, and we're showing that we're here to take care of them."



DAVID J. MASON:

"The fact that we could step up and offer some help really is a highlight of the year."

For the healthcare workers facing uncertainty and unimaginable levels of stress, their tax return was one less thing to worry about. Demand was high, and some felt a shared sense of purpose with their accountants. Volunteer Lora Barazzuol, CPA, CA, was amazed by the overwhelmingly positive response. Currently employed at accounting firm McLelland Crawford Topp, Lora seized the opportunity to offer her services. Faced with a pandemic that ignores artificial boundaries, the initiative showed her that everyone had a role to play in fighting it.

Marsha Feeney, a Registered Practical Nurse at St. Joseph's Healthcare in London, had to work

extended hours to cope with the fallout from the virus. She was relieved to have the option of completing her tax returns quickly online, which she says was a big help. "I'd just like to thank everyone involved with this initiative ... being able to do this online was a stress reliever."

Volunteer David J. Mason, FCPA, FCA, CPA (Illinois), ICD.D, Tax Policy Co-leader at Deloitte's National Tax Office, said he was touched by the level of appreciation shown by healthcare workers. "It was a great idea to try to give back to the broader community and help those healthcare workers at a difficult time."

NEXT-LEVEL SKILLS, TRAINING, ETHICS AND INSIGHTS



22,154

CPA Ontario Students



1,926

Post-Secondary Ambassadors



14,021

preparatory course module and
exam enrolments



28

CPA Ontario students who placed
on the national CFE Honour Roll

What is it that attracts outstanding students and exceptional professionals from around the world to pursue the CPA designation? For one, it's opportunity. Reputationally, the CPA designation is the nationally recognized business credential that's sought by top employers across Canada. But to meet the demands of the future, today's graduates need – and expect – something deeper than that. In order to excel in today's increasingly complex and unpredictable business environment, the next generation of accounting professionals and business leaders requires next-level training, skills, ethics and insights. They also need a consistent and reliable support network that will guide them throughout their entire career. That's what the CPA designation provides.

LAYING A STRONG FOUNDATION

Our best-in-class education prepares our students for an ever-changing business world. Enriching the student experience, evolving the competencies of graduates and helping them gain practical experience all work to ensure our next generation of business leaders will continue to be an asset to any industry.

To ensure future CPAs have the skills they need to compete, we continue to analyze and update the competency map, the blueprint of the CPA program. This past year, we published a revised competency map detailing the skills required of newly qualified CPAs. Changes included increasing the technical competencies for Data Analytics and Information Systems (DAIS) and modifying the focus in areas of taxation. To ensure the competency map is increasingly relevant to changing accounting and business needs, a new national task force has been established to conduct a comprehensive review of the competencies required. This extensive project will ensure future CPAs will be well positioned to add value regardless of sector or practice area.

ENHANCING THE STUDENT JOURNEY

As part of our ongoing digital transformation, we introduced new tools to help post-secondary students navigate their journey. This includes a self-assessment tool when students apply for registration and a new personalized dashboard that maps their progress through the CPA program. Since being launched last summer, the self-assessment tool has been used by nearly half of individuals who are beginning their journey towards becoming a CPA. These features were introduced with the launch of the final phase of My Portal, and have gone a long way toward providing a better user experience.

To provide students with more flexibility when planning their preparatory courses and examinations, we've moved from four semesters to five. Additionally, students now register for their preparatory courses and corresponding examinations separately, which gives them the option of writing their exams in the semester of their choice. We've also introduced a new automated function that alerts candidates as soon as all requirements are met, accelerating the process once all educational and practical experience requirements are obtained, paving the way to membership sooner.



CHARTERED FOR FINANCE

Practical Experience remains a vital component of CPA certification, where students are able to build on the foundation of skills they've gained. To better support them, we have created a series of guides to help students fulfill their reporting requirements. Additionally, we also revamped our online Mentorship Program resources to provide a clearer path during this program, which gives members the opportunity to guide future CPAs.

CPA Ontario remains committed to further enhancing the student experience, improving our processes and offering an increasingly flexible delivery model to better serve our students along their educational journeys.

ACCELERATING THE DIGITAL JOURNEY

The emergence of the COVID-19 pandemic presented a unique set of challenges for our student population and the academic community as a whole. Fundamentally, the pandemic compelled the profession to accelerate our shift to a model that emphasizes digital delivery.

At CPA Ontario, we are focused on ensuring that CPA students are supported and able to stay on track, regardless of where they are in the program. The onset of the pandemic led to some difficult but necessary decisions, including postponing the March Convocation ceremonies. However, we mobilized quickly to facilitate remote delivery and assessment solutions for our PEP and PREP students, while building the necessary agility into our programs that will be required as learning shifts to new models.



We know that our CPA students will continue to require extra support at every stage of the CPA journey. To help inform our decision-making process, we have assembled a national task force, supported by academic and technology expertise within the profession, to guide the effective delivery of our programs, including workshops, lectures and assessments.

We will continue to support the unique needs of our students in the midst of an unprecedented global event while we continue to provide a best-in-class education, provide career-enhancing practical experience and offer guidance so that they understand their responsibilities as professionals.

LESSONS FROM THE SEPTEMBER 2019 CFE

In September 2019, students across the country experienced challenges during the Common Final Examination (CFE), the rigorous final exam that caps the education portion of the CPA certification program. During the administration of the three-day sitting, some writing centres experienced technical challenges that resulted in delays for many candidates. CPA Ontario worked with colleagues across our profession and with our service providers to resolve these issues as quickly as possible, recognizing that many participants had a difficult experience.

The profession took a number of actions to determine what occurred with the CFE, including retaining third-party experts to conduct a review. The Board of Examiners (BOE), which is responsible for marking the



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examination, consulted with experts, including a psychologist, two psychometricians and past BOE chairs to determine next steps. An additional psychometrician was retained through Borden Ladner Gervais LLP as part of the third-party review. After months of comprehensive work, final examination results were released in January 2020. Candidates of the September 2019 CFE were commended for their ability to perform in what was a challenging situation for many. In response to the challenges experienced by students, a failing mark did not count as an unsuccessful attempt of the exam, and any student who did not pass the CFE was provided with a free re-write and complimentary enrolment into the Capstone 2 program. The resilience of this group of students was again tested in March when Convocation celebrations were cancelled due to COVID-19. Although disappointing, there

will be a virtual event to celebrate the remarkable achievements of all successful writers.

Overall, Ontario CPA students made an impressive showing in the CFE; of the 81 students whose performance earned them a place on the prestigious National Honour Roll, 28 were from Ontario. This was also the second year in a row that the National Gold Medalist hailed from Ontario. The prestigious Governor General's Gold Medal for the highest standing in Canada was awarded to Michael William Wong from Deloitte LLP in Toronto. Wong credited his success to a disciplined and purposeful work strategy combined with support from his school, firm, family and friends.



DISCOVERY DAYS

EXPANDING OUR OUTREACH

Over the past year, our 500 interactive high school workshops reached more than 11,000 students across Ontario, with conversations focused on the opportunities available with a CPA designation. The Post-Secondary Ambassador Program (PSAP) is an opportunity for us to show top post-secondary students all of the incredible career options available to them by pursuing the designation. The program includes Discovery Days, an exclusive event that sends top students to meet employers at their offices to demonstrate what working in a cutting edge organization can look like. Last year, students had the opportunity to experience the work life at TD, RBC, MNP, Sunlife, RSM, Manulife and Shopify, among others.

Prospective students have told us they expect fast-paced innovation and digital delivery of information, and that they want to use the designation to serve their communities and make a meaningful impact. To better reflect these areas of focus, we have incorporated themes of technology, social impact, sustainability and technology to engage with prospective CPAs in high schools and post-secondary institutions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CPA Ontario achieved a fiscal year of successful milestones as we focused on our ongoing digital transformation, implemented new processes and technology, and moved forward on our facility strategy.

The investment in a digital and business transformation initiative continued in fiscal 2020 with the launch of the student portal. This new system will improve our service to students. In addition, we executed on the facility strategy that moved all our employees to one location. The sale of the property at 240 Eglinton in Toronto was successfully completed during fiscal 2020 as part of this strategy.

We continued to make significant cultural and operational changes to ensure that our critical investments yield the greatest possible value for members, students and other stakeholders and the long-term success of the profession and CPA Ontario.

The onset of COVID-19 presented the CPA Ontario team with significant challenges, similarly shared by our members, students and other stakeholders. These challenges brought together our team in circumstances that, while unfamiliar, were smoothly navigated as our employees continued to deliver on our mandate through this difficult period. The investments over the past years positioned us well to quickly

adapt and enable a more flexible workforce that remains productive and connected.

The following discussion lays out the financial position, results of operations and cash flows of CPA Ontario for the year ended March 31, 2020. This includes the key drivers of our revenues, expenses and investments. It should be read in conjunction with the summary audited financial statements and accompanying notes for the same period.

FINANCIAL POSITION

CPA Ontario's net asset position remains strong at \$71.2 million at March 31, 2020, as compared to \$66.8 million in 2019. The \$4.4 million increase in net assets is driven by a \$4.5 million surplus of revenues over expenses, primarily due to the gain made on the sale of the property at 240 Eglinton, Toronto. This is slightly offset by \$0.1 million net remeasurement losses from pension and employee future benefits.

CPA Ontario has net assets invested in land, buildings, equipment and other capital assets, as well as internally restricted and unrestricted net assets. We maintain an internally restricted operating reserve. It is intended to support the organization's day-to-day operations in the event

of unforeseen shortfalls or special projects. In fiscal 2020, we increased the operating reserve by \$1.0 million to \$26.5 million.

During fiscal 2020, the net cash generated from operating activities was \$4.4 million and the net cash generated from investing activities was \$4 million. This compares to fiscal 2019, where the net cash used in operating activities was \$2.5 million and the net cash used in investing activities was \$24.9 million. At March 31, 2020, the organization's cash and cash equivalents totaled \$10.3 million. This reflects an increase of \$8.5 million from the balance of \$1.8 million at the previous year end, due to significant payables expected in Q1 of fiscal 2021.

CPA Ontario believes that our current financial resources are sufficient to meet working capital and capital expenditure requirements for the next 12 months.

In fiscal 2020, our total capital expenditures were \$9.7 million (compared to \$0.6 million in fiscal 2019), primarily related to our move to one location.

RESULTS FROM OPERATIONS

CPA Ontario operations in fiscal 2020 resulted in a surplus of \$4.5 million compared to a deficit of \$1.3 million in fiscal 2019 primarily due to the gain on sale of 240 Eglinton, Toronto. Revenue in fiscal 2020 totaled \$105.9 million (2019: \$106.3 million). Our revenue came from three main sources: member dues, education and professional development. These categories delivered 94 per cent of total revenue in fiscal 2020, compared to 95 per cent in fiscal 2019.

Member dues. CPA Ontario collected \$47.2 million in dues from our members in fiscal 2020, \$0.8 million more than the \$46.4 million collected in 2019. Member dues represented 45 per cent of the organization's revenues (2019: 44 per cent). There was no increase in provincial member dues in fiscal 2020, which remained at \$580, as set in fiscal 2015 when dues were harmonized. The member population at March 31, 2020 is 94,770, an increase of 1956 (2.1 per cent) over the prior year.

Member dues are the primary source of funding to enable CPA Ontario to fulfill its regulatory responsibilities. These include carrying out practice inspections, investigations, responding to complaints and working with the Public Accountants Council, among other roles that promote and protect the public trust.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Beyond regulation, CPA Ontario delivers a wide range of member services, including advising on ethical and regulatory matters, career services, networking opportunities and affinity programs.

Member dues collected this year have also enabled CPA Ontario to continue to invest in technology and process improvements. These will enhance member and student experiences, enable improved professional development offerings and deliver economies of scale in the years ahead.

Education programs. Education program revenue and student dues totaled \$42.2 million in fiscal 2020 (compared to \$42.6 million in fiscal 2019). Of this total:

- \$27.3 million (2019: \$28.3 million) came from the CPA preparatory course and the professional education program
- \$0.2 million (2019: \$0.2 million) came from other programs
- \$14.7 million (2019: \$14.1 million) came from student dues

Overall, students enrolled in 14,021 preparatory courses (compared to 15,096 in 2019) and 17,220 professional education program modules (2019: 19,061). The combined 8.5% decrease in enrolment in the CPA programs is attributed to a timing shift in the professional education program (three sessions in fiscal 2020 vs. four sessions in fiscal 2019). The contribution margin from CPA programs in fiscal 2020 is \$7.4 million (27.3%), compared to \$8.6 million (30.4%) in fiscal 2019. This decrease was driven mainly by higher delivery and support costs of the professional education program. Student dues grew by \$0.6 million this year, with the student population at March 31, 2020 standing at 22,154, which grew by 2.6% compared to fiscal 2019, which ended the year at 21,598 students.

Professional Development (PD) programs. PD revenue decreased by \$1.3 million, from \$11.6 million in fiscal 2019 to \$10.3 million in fiscal 2020. This was mainly driven by a decrease in in-person program revenue, which was impacted in the final quarter of the year due to COVID-19 social distancing requirements.

Expenses. Total expenses for fiscal 2020 were \$108.9 million, up \$1.2 million from \$107.7 million in fiscal 2019. This increase is primarily due to higher Operations expenses driven by higher spend in strategic areas, such as execution of the facility strategy and implementation of new technologies.

RISK AND RISK MANAGEMENT

Risks happen in the normal course of business. They can be heightened in complex environments and unusual circumstances. The ability to respond effectively and in a timely manner to both expected and unanticipated risk is critical to an organization's success. Enterprise Risk Management (ERM) is a crucial element of an organization's strategic and tactical decision-making process and resulting actions. CPA Ontario places a priority on ERM. Here's how.

Enterprise Risk Management at CPA Ontario

Like many organizations, we are operating in a complex and rapidly changing environment, and this has become even more challenging with the COVID-19 pandemic outbreak that has spread globally in 2020. COVID-19 has had an impact on our organization as well as our stakeholders including members, students, employers and post-secondary institutions. We will monitor the corresponding impact of COVID-19 on our risks and mitigation strategies as the pandemic continues.

We face uncertainty, which can affect the implementation of our strategic and business plans. ERM supports the continued success of CPA Ontario by ensuring that we consider the effects of risk in pursuing our objectives. We regularly identify, assess, monitor and manage our risks to ensure that our top and emerging risks are considered within our risk appetite framework.

We embrace ERM by maintaining a program and framework that ensures that risk management is an integral part of the organization's activities and management processes. The ERM program assists all areas of the business in managing risks within its risk appetite by bringing a systematic approach and methodology for evaluating, measuring, monitoring, managing and reporting risks.

Our ERM framework is guided by the following key principles, under the leadership of the CPA Ontario Council and the Executive Team:

- **Governance and Oversight.** Ensuring that we have the proper oversight on risk and that we make risk decisions within the framework of the organization's risk appetite.
- **Infrastructure.** Embedding the skills, tools and templates to enable risk identification, assessment and management.
- **Practices.** Applying the ERM process for identifying, assessing, managing, monitoring and reporting key risks.

While Council and the Executive Team each have an important oversight role, employees at all levels in the organization are responsible for managing their day-to-day risks. Key risk management roles and responsibilities for the organization are described below:

- **Council:** Council oversees the implementation and effectiveness of the organization's ERM policy and framework, reviews key risks and mitigation strategies, and champions a culture that values the management of risk.

Together with management, it defines the organization's risk appetite, reviewing and approving it annually.

- **CEO and CFO:** The CEO and CFO act as Executive Sponsors of the organization's ERM framework to govern the organization's risk profile and oversee management of enterprise-wide risks, including key risks. They champion a culture that instills the management of risk, supports the integration of ERM with strategic management, decision making, and business activities, and cultivates open communication and transparency about risk and risk-taking expectations.
- **Executive Team:** The Executive Team is accountable for effective management of risks in its respective areas and ensures risk-taking is consistent with the organization's risk appetite. It also supports the integration of ERM with strategic management, decision making, and business activities and processes.
- **Risk Owners:** Risk owners apply decisions and activities that manage risk to acceptable levels and provide timely and accurate risk management information.
- **All Employees:** All employees manage risks within their functional area and report emerging risks and changes in risks to management.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NON-FINANCIAL RISKS

A risk is an event that creates uncertainty in the achievement of objectives. Risk categories for CPA Ontario other than financial risks include brand and reputation risks, strategic (including regulatory) risks, operational risks, technology risks and human capital risks. We face risks within these categories and have defined strategies to address them. Here are some risks we identified through our ERM process.

Cyber Security. CPA Ontario faces the same information security risks that confront all organizations. Cyber risk is constantly evolving and is on every organization's radar, given the potential impact whenever this type of risk materializes. CPA Ontario takes steps to protect member and student data from unauthorized access. We continually harden our systems to protect confidential information and reduce the likelihood of IT disruptions. We regularly educate, monitor and test our employees to encourage the use of appropriate cyber security practices. We also follow best-practice security processes, protocols and standards and hold our third-party service providers and software partners to similarly rigorous security standards.

Student Examination Delivery. Exams are a critical part of the CPA student journey. There have been recent challenges for CPA students, including September 2019 CFE software issues and, as a result of the COVID-19 pandemic, the cancellation of the May 2020 CFE and the spring PEP and PREP exams. Like many other education providers, CPA curriculum delivery has moved online, and we will continue to consider alternate forms of assessment that do not require in-person attendance at exams.

Shared/Vendor-Managed Technology. Like other organizations, CPA Ontario leverages the expertise of vendor partners to deliver and manage technology solutions. We often share national technology with CPA bodies across the country. If shared and vendor-managed technology issues occur, these can adversely impact the performance and reliability of the systems that our stakeholders use. We assess vendors using key criteria such as proven experience, rigorous testing of solutions and strong customer service to ensure they provide excellent products and services. We also maintain close executive relationships with partners to anticipate and prevent major issues from occurring.

Future of the CPA Profession. Like other professions, the accounting profession is experiencing unprecedented change from factors such as new technologies like Artificial Intelligence and machine learning, shifting demographics, evolving socio-economic perspectives and environmental issues. The profession faces risk if CPAs do not maintain the competencies and capabilities needed as the business environment evolves. We are working with the other CPA bodies across the country to plan for the future of the CPA profession and evolve core competencies. This includes continually updating the CPA Competency Map to enhance the foundation of the CPA certification program and ensure the relevancy of newly qualified CPAs. We are also partnering with post-secondary institutions on innovative student programs and enhanced professional development that will help members upgrade their competencies and skills.

Employee Health and Wellness. As with many organizations, employee physical and mental health and wellness is a priority as we navigate the COVID-19 pandemic. We will continue to provide a safe, supportive and healthy work environment. We provide support for employees through a comprehensive health benefits plan. Ongoing communication to employees from leadership at all levels has been vital during the pandemic and we will ensure that we implement safe and healthy workplace strategies as we determine our return to workplace practices. Over the long term, CPA Ontario is modernizing its workplace at 69 Bloor Street East and we will ensure that the workplace that we create is not only technology enabled, but is safe for our employees in the post-pandemic era.

Business Continuity. As with all organizations, there is a risk that the COVID-19 pandemic will disrupt business operations. CPA Ontario rapidly responded to COVID-19 while moving to a remote work scenario. Business continuity plans were implemented to smoothly transition our operations. Key critical employees were supported with appropriate backups. This planning ensured that all critical processes continued to operate with no interruption to our business. Going forward, we will work prudently with the broader business community and government authorities to plan our return to the office.

FINANCIAL RISKS

In the normal course of business, CPA Ontario is exposed to certain financial risks. These have the potential to adversely affect our operating and financial performance. The risks associated with CPA Ontario's financial instruments are: credit, liquidity and market (i.e. currency, interest rate, and other price risk).

CPA Ontario manages financial risks in accordance with internal policies, including our investment policy on managing our funds. The policy's objectives are to:

- safeguard our assets through prudent and diversified investments
- ensure liquidity to meet cash flow requirements

The policy seeks to achieve these objectives by setting parameters for asset quality and for the proportions of fixed income and equity securities in which we invest. Council monitors compliance with the investment policy and reviews the policy annually to ensure it is relevant.

Given the nature of the organization's investments and the constraints imposed by the investment policy, it is management's opinion that CPA Ontario is not exposed to significant risk in respect of financial instruments.

CPA Ontario has built a strong balance sheet through prudence in fiscal management, which serves to mitigate against economic contingencies.

COVID-19 ECONOMIC DOWNTURN

The worldwide coronavirus has caused economic uncertainty and hardship for Canadians. Widespread shutdowns and social distancing efforts have led to job losses and impacted economic growth. The economic impact of the pandemic-related downturn creates uncertainty for both the member base and demand for new CPAs. Student base growth may be impacted by ongoing financial challenges. We will actively monitor these economic factors as we support our members and students through this challenging time, while continuing to protect the public interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CREDIT RISKS

Credit risk refers to the exposure resulting from the possibility that a counter party will fail to perform its obligations, or the exposure arising from a concentration of transactions carried out with the same party, such that CPA Ontario could incur a financial loss. Credit risk associated with accounts receivable is minimized as CPA Ontario's accounts receivable arise mainly from transactions with many parties such as members, firms and CPA students, and contracted affinity product suppliers. Credit risk associated with investments is minimized substantially by ensuring that these assets are invested in financial instruments of governments and major corporations that have been accorded investment grade ratings by a primary rating agency and/or other credit-worthy parties.

LIQUIDITY RISKS

Liquidity risk is the risk that CPA Ontario will not be able to meet a demand for cash or fund its obligations as they come due. CPA Ontario meets its liquidity requirements by ensuring sufficient cash and short-term investments are on hand at any given time and can readily be converted to cash to cover any expected and unexpected operating requirements.

CURRENCY RISK

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. CPA Ontario mitigates the currency risk exposure of its foreign cash, bonds and equities by limiting its currency exposure and investing mostly in Canadian securities.

INTEREST RATE RISK

Interest rate risk arises from fluctuations in interest rates and the degree of volatility of these rates. CPA Ontario is exposed to interest rate risk through holding certain investments, in which changes in interest rates can affect the valuation of the investment and the income received from the investment. CPA Ontario manages the interest rate risk exposure of its investments in guaranteed investment certificates and fixed income investments by using a portfolio with varying terms and maturity dates, which helps to reduce the sensitivity of the portfolio to the impact of interest rate fluctuations while enhancing the average portfolio yield.

OTHER PRICE RISK

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments 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 Ontario has an investment policy that restricts the types and amounts of its eligible investments and requires dealing with highly rated counterparties. Diversification of investments in different geographic regions and the use of different investment vehicles help to manage price risk and volatility of investment returns.

REPORT OF THE INDEPENDENT AUDITOR ON SUMMARY FINANCIAL STATEMENTS

TO THE MEMBERS OF CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

OPINION

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2020, and the summary statements of operations, changes in net assets and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Chartered Professional Accountants of Ontario for the year ended March 31, 2020.

In our opinion, the accompanying summary financial statements are a fair summary of the financial statements, in accordance with the criteria disclosed in Note 1, Basis of Preparation, 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 and the auditor's report thereon of Chartered Professional Accountants of Ontario.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of the summary financial statements in accordance with the criteria disclosed in Note 1 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.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
June 18, 2020
Toronto, Ontario

SUMMARY STATEMENT OF FINANCIAL POSITION

As at March 31

(All amounts in thousands of dollars)

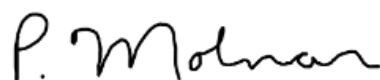
	2020 \$	2019 \$
ASSETS		
Cash and cash equivalents	10,291	1,843
Short-term investments and other current assets	10,171	20,051
Long-term investments	81,334	72,423
Tangible capital assets	10,299	5,644
	112,095	99,961
LIABILITIES		
Accounts payable and accrued liabilities	14,997	11,976
Deferred revenue	24,664	19,901
Employee future benefits obligation	1,251	1,300
	40,912	33,177
NET ASSETS		
Unrestricted	44,683	41,284
Operating reserve	26,500	25,500
Other internally restricted	-	-
	71,183	66,784
	112,095	99,961

(See accompanying notes.)

On behalf of Council:



Anita K. Ferrari, FCPA, FCA
Chair



Paulina Molnar, CPA, CA
Finance & Audit Committee, Chair

SUMMARY STATEMENT OF OPERATIONS

For the year ended March 31
(All amounts in thousands of dollars)

	2020	2019
	\$	\$
REVENUES		
Member dues	47,219	46,450
Education	42,218	42,552
Professional development	10,317	11,610
Professional standards	3,823	3,621
Investment and other	2,343	2,096
	105,920	106,329
EXPENSES		
Operations	43,500	41,770
Education	29,707	29,679
Professional development	11,923	12,138
Professional standards	8,970	8,925
Marketing and communications	7,619	8,360
Registrar	4,981	4,692
Student outreach program	2,228	2,105
Gain on sale of tangible capital assets (net)	(7,501)	-
	101,427	107,669
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	4,493	(1,340)

(See accompanying notes.)

SUMMARY STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31
(All amounts in thousands of dollars)

	2020			
	Unrestricted	Operating reserve	Internally restricted	Total
	\$	\$		\$
BALANCE, BEGINNING OF YEAR	41,284	25,500	-	66,784
Excess of revenues over expenses	4,493	-	-	4,493
Remeasurement losses from pension and employee future benefits	(94)	-	-	(94)
Internal fund transfer	(1,000)	1,000	-	-
BALANCE, END OF YEAR	44,683	26,500	-	71,183

	2019			
	Unrestricted	Operating reserve	Internally restricted	Total
	\$	\$	\$	\$
BALANCE, BEGINNING OF YEAR	42,758	23,500	2,078	68,336
Deficiency of revenues over expenses	(1,340)	-	-	(1,340)
Investment income earned	(17)	-	17	-
Funds released from trust	2,095	-	(2,095)	-
Remeasurement losses from pension and employee future benefits	(212)	-	-	(212)
Internal fund transfer	(2,000)	2,000	-	-
BALANCE, END OF YEAR	41,284	25,500	-	66,784

(See accompanying notes.)

SUMMARY STATEMENT OF CASH FLOWS

For the year ended March 31
(All amounts in thousands of dollars)

	2020 \$	2019 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	4,493	(1,340)
Adjustments to determine net cash provided by operating activities	(3,704)	2,535
Changes in non-cash working capital items	3,610	(3,715)
Cash flows from (used in) operating activities	4,399	(2,520)
INVESTING ACTIVITIES		
Cash flows from (used in) investing activities	4,049	(24,873)
Net change in cash and cash equivalents during the year	8,448	(27,393)
Cash and cash equivalents, beginning of year	1,843	29,236
Cash and cash equivalents, end of year	10,291	1,843

(See accompanying notes.)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the year ended March 31, 2020
(all amounts in thousands of dollars)

1. BASIS OF PREPARATION

These summary financial statements are derived from the annual audited financial statements of Chartered Professional Accountants of Ontario for the year ended March 31, 2020, which were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

A copy of the complete financial statements together with the independent auditor's report thereon is available on request.

The set of criteria applied by management in preparing these financial statements is outlined in the paragraph below.

The figures presented in these summary financial statements agree with or can be recalculated from the figures presented in the audited financial statements. Management believes that the summary financial statements contain the necessary information and are at an appropriate level of aggregation so as not to be misleading to the users.

2. NATURE AND DESCRIPTION OF THE ORGANIZATION

Chartered Professional Accountants of Ontario ("CPA Ontario") is established as a corporation without share capital under the Chartered Professional Accountants of Ontario Act, 2017, which came into force on May 17, 2017. CPA Ontario promotes and protects the public interest by governing and regulating the practice, competence and professional conduct of individuals and entities as Chartered Professional Accountants in Ontario.

CPA Ontario establishes, maintains, develops and enforces standards of qualification, standards of practice, standards of professional ethics, and standards of knowledge, skill and proficiency, to ensure its members meet the highest standards of integrity and expertise.

CPA Ontario serves and supports its nearly 95,000 members and 22,000 students in their qualification and professional development in a wide range of positions in public accounting, business, finance, government, not-for-profits and academe.

CPA Ontario is exempt from income tax under subsection 149(1) of the Income Tax Act.

3. COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The extent to which COVID-19 impacts CPA Ontario's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.

CPA ONTARIO COUNCIL AND EXECUTIVE MANAGEMENT TEAM

The CPA Ontario Council is made up of 12 elected members of CPA Ontario and four public representatives appointed by the Lieutenant-Governor. The President and CEO, supported by an executive management team, is responsible for strategy and day-to-day operations, including the roles of educator, regulator, advocate, thought leader and provider of benefits and services to our stakeholders.

Key duties of a Council member include:

- Protect, and be seen to protect, the public interest.
- Ensure the integrity and independence of CPA Ontario's self-regulatory processes.
- Protect the interests of the profession and members.
- Act consistently in accordance with the values and ethics of the profession.
- Set the strategic direction.
- Approve the annual business plan and performance targets.

CPA ONTARIO COUNCIL

OFFICERS

Anita K. Ferrari
FCPA, FCA
Chair

Jean Desgagné
CPA, CA
Vice-Chair

Catherine L. Russell
CPA, CA
Secretary

Paulina Molnar
CPA, CA
Treasurer

MEMBERS-AT-LARGE

Daniela Carcasole
CPA, CA

Ian Jeffreys
CPA, CA

Russell Jones
CPA, CA

Bobby Kwon
CPA, CMA

Jennifer Diana Lee
CPA, CA

Stephen McCaughey
CPA, CMA

Jennifer Roedding
CPA, CA

Daniel Rogozynski
CPA, CA

PUBLIC REPRESENTATIVES

John Beck

Ginny Dybenko

Graham T. Parsons

Mardi Witzel

YOUNG CPA REPRESENTATIVE | NON-VOTING

Michael Cherny
CPA, CA

COUNCIL COMMITTEES

STANDING COMMITTEES OF COUNCIL

Paulina Molnar
CPA, CA
*Finance & Audit
Committee, Chair*

Stephen McCaughey
CPA, CMA
Risk Committee, Chair

Catherine L. Russell
CPA, CA
*Human Resources
Committee, Chair*
*Governance &
Nominating Committee,
Chair*

ADJUDICATIVE COMMITTEES

ADMISSIONS & REGISTRATION

Elaine Sequeira
FCPA, FCA
Chair

A. Ross Mitchell
FCPA, FCA
Deputy Chair

APPEAL COMMITTEE

Larry Bookman
CPA, CA
Chair

Allan Mackay
CPA, CMA
Deputy Chair

CAPACITY COMMITTEE

John Love
CPA, CMA
Chair

DISCIPLINE COMMITTEE

Stuart M. Douglas
FCPA, FCA
Chair

**Randal J.
Adamkowski**
CPA, CA
Deputy Chair

David Debenham
CPA, CMA
Deputy Chair

Stephen F. Dineley
FCPA, FCA
Deputy Chair

REGULATORY COMMITTEES

PRACTICE INSPECTION COMMITTEE

Jean M. Prichard
CPA, CA
Chair

PROFESSIONAL CONDUCT COMMITTEE

Elena D. M. Hufton
CPA, CA
Chair

PUBLIC ACCOUNTING LICENSING BOARD

John Beech
FCPA, FCA
Chair

VOLUNTEER LEADERSHIP

The generous efforts of CPA Ontario's many volunteers benefit all members and students in the CPA program, the profession and the public. We extend our sincere thanks to the many committee volunteers who gave their time and expertise during fiscal 2020.

WE ARE CPA ONTARIO

We are an educator, thought leader, regulator, advocate and provider. We protect the public interest by ensuring our members meet the highest standards of integrity and expertise. We provide pathways to the profession for aspiring accountants from around the world. And we engage in our community as a responsible corporate citizen.

ROLES

EDUCATOR

Providing certifications, continued training and learning for the profession

REGULATOR

Upholding the public's trust in, and ensuring the integrity of, the profession

PROVIDER

Serving our members and students with a commitment to quality and efficient delivery

ADVOCATE

Championing the interests of our profession with the business community

THOUGHT LEADER

Developing cutting edge ideas and thinking that evolve the profession

CORE VALUES AND BEHAVIOURS

The following values and behaviours are key to CPA Ontario's culture. They are reflected in the work we do, how we treat each other and how we represent ourselves.

- Think and act with a student- and member-first mindset while protecting the public interest.
- Always strive for the highest levels of professionalism.
- Be open-minded and nimble as we adapt to an evolving environment.
- Strive for personal accountability in everything we do.
- Act with integrity at all times, in all situations.
- Adopt a "one company" mindset, collaborating across functional lines.
- Align activities and efforts to focus on results and outcomes.

CPA ONTARIO

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