

AGILITY

ANNUAL REPORT 2021



WE **PROTECT** THE PUBLIC

WE **ADVANCE** OUR PROFESSION

WE **GUIDE** OUR CPAs

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MESSAGE FROM THE PRESIDENT & CEO



The bookends we place around a fiscal year can help to define and measure previous months—whether it was a success or otherwise, a time of growth or decline.

The past year will forever be remembered by everyone. We witnessed so many significant historical events—quarantine, social upheaval and economic shutdown, which led to a period so disruptive and disorienting that the traditional measures to manage had to be adapted in real time.

When reflecting on the year, I am constantly reminded of the agility our talented employees demonstrated. Their quick response to the beginning stage of the pandemic gave the organization the solid footing it needed to continue protecting the public and advancing our profession. The willingness to adapt and adjust along the way has never wavered and still stands today.

As the pandemic took hold, ensuring our employees had the support they needed to stay safe was paramount. Beyond ensuring that everyone was equipped to work remotely, providing resources for wellness and mental health took an enhanced focus. Throughout the organization, teams found ways to support each other as everyone managed their own unique situation at home.

It was adaptability, resilience and collaboration that allowed us to carry on together to meet our mandate. This was clearly demonstrated in the delivery of the September 2020 Common Final Examination (CFE). Teams from across the organization coordinated the delivery of more than 4000 exam writers in 43 hotels across the province. They were supported by more than a thousand volunteers and it will stand as one of the finest examples of our profession's spirit.

As we all were working hard to manage our home and work lives, the world around us was changing in profound ways. The social injustices around us were brought to the forefront and the conversation, expectations and actions underwent a seismic shift. As we enter an era where environmental, social and

governance (ESG) becomes increasingly important to investors, boards and C-suites across the globe, CPAs have an immense opportunity. Increasing demand for responsible investment funds and related frameworks, standards and regulations place CPAs at the very centre of the ESG conversation. As Gillian Lett of the Financial Times noted, "Rarely has the accounting profession had such a potentially momentous role to play in global affairs."

This year we released a thought leadership paper on this topic; *CPAs and the New Social Contract: The Rise of the Warrior Accountant*. The term "warrior accountant" fittingly describes the CPA of the future. Faced with reporting on a large swathe of non-financial information, warrior accountants will apply their measurement, disclosure and audit expertise to connect sustainability with business strategy. It's a key space CPAs will be leading in the future and our work on the topic continues.

As we prepare to break new ground as warrior accountants, we need to ensure that everyone in our community has access to the bold and exciting opportunities that a career as a CPA offers. I am proud to announce the launch of an expanded CPA Ontario Foundation, which will provide scholarship support to individuals with financial need, who may not otherwise have access to the profession. The Foundation will focus on providing opportunities to diverse and underrepresented groups to pursue their CPA designation. The upcoming year will be a major one for this initiative and I look forward to sharing the results of its impact with you next year.

I'd like to thank Council and the CPA Ontario team for all their hard work to make the achievements outlined in this report really stand out in a year that required many of us to stay in.

A handwritten signature in black ink that reads "Carol Wilding". The signature is fluid and cursive, with a large loop at the end.

CAROL WILDING FCPA, FCA
PRESIDENT AND CHIEF EXECUTIVE OFFICER



MESSAGE FROM THE CHAIR

In the best of times, it's essential that organizations remain flexible to manage unforeseen challenges and unexpected opportunities. But when the world turns upside down, this becomes business critical.

At the heart of CPA Ontario's agile response to the pandemic was an unwavering commitment to continue delivering on our core mandate—from which the health of our profession ultimately stems. In addition to providing guidance and resources to ensure that members met their professional obligations, we also delivered mental health resources to help both members and students manage personal challenges in a period of significant stress.

The recent pace of social and economic change has given all of us pause, along with the chance to re-examine our values and priorities—to do what's right for society and the profession, rather than what's easy. Committees and boards thrive when they not only welcome but also work hard to include diverse perspectives, and CPA Ontario's Council is no exception. Although we have renewed our commitment to diversity, equity and inclusion in our nomination and interview process for this year's Council election, we remain committed to creating a space that eliminates barriers to inclusion and consistently challenges the status quo.

This year, the final element of our journey to unification was put into place with the passing of the *Accelerating Access to Justice Act, 2021*, which amended the *Public Accounting Act, 2004*. CPA Ontario now assumes all regulatory oversight and responsibilities for public accounting standards in this province. This amendment removes the final layer of unnecessary regulatory burden while upholding

the high standards by which public accountants are licensed and regulated in Ontario. I extend my gratitude to everyone involved in this landmark achievement.

Despite the uncertainty of the past year, we were once again fortunate to rely on the steadfast support of our Council and committee volunteers, who generously devoted their time and efforts toward maintaining strict regulatory oversight and safeguarding the public's trust in our profession. I want to thank all our volunteers for their successful stewardship of our profession under exceptional circumstances.

In my two years as Chair, I have witnessed firsthand the fortitude necessary amid profound change—a trait exhibited by my Council colleagues and the CPA Ontario team. Their commitment to protecting the public interest, advancing the profession and serving our stakeholders is a testament to the resilience and solidarity that CPA Ontario can draw upon in times of need.

On behalf of Council, I thank my colleagues and the CPA Ontario team for their dedication and support.

ANITA K. FERRARI FCPA, FCA
CHAIR



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.

PROVIDING PROTECTION UNDER PRESSURE

One of the misconceptions applied to regulators is that the only tool available to them is discipline. The concept of deterrence is fundamental to the function of a regulator, but there are many other mechanisms that help us protect the public. Aspiring CPAs complete a stringent certification program to gain access to the designation. We set ongoing continuing learning requirements for members to ensure their skills remain relevant throughout their careers. We offer support for members, students and firms when they're unclear as to how they should approach a work challenge or technical requirement. Many of our most effective tools provide support to members, students and firms to stay in compliance with their regulatory obligations far before the need for discipline.

This year saw a historic amount of economic distress and business volatility, which can often create additional risk to the public. The most critical step we took was to ensure that day-to-day regulatory activities continued.

It was important to find ways to help members proactively. Across the organization and throughout the year, we helped members, students and firms by making compliance simpler. This included identifying Covid-specific risks and communicating them to members; enhancing the anonymized guidance from complaints; increasing the number of proactive reminders we sent to ensure members and firms were aware of their obligations; and simplifying processes to reduce timelines.

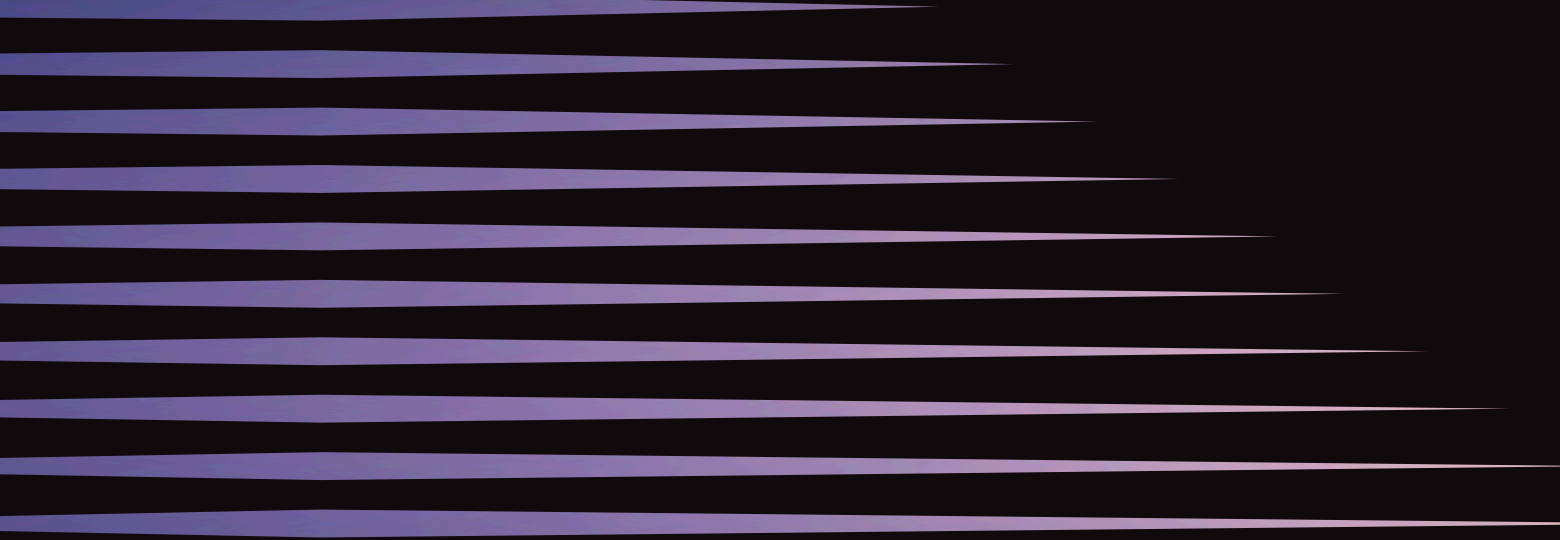
Overall, we continued meeting the high standards the public has come to expect from CPA Ontario as a regulator and found ways to manage the disruption the pandemic presented. We were supported in our efforts by past digital investments and strategies that enabled our ability to respond to the needs of the situation even as it quickly changed.

This shift toward a more adaptive regulatory function was not a one-time effort—many elements of this new approach will remain in the post-Covid environment. For more details on our regulatory activities throughout the year, please see the CPA Ontario Regulatory Report.

UNINTERRUPTED SERVICE AND PROTECTION

Core functions related to membership in the profession—including admission, licensing and registration, and compliance assessments—remained uninterrupted as the pandemic endured through the year. While maintaining business as usual, the Registrar's Office focused on opportunities for helpful outreach to members. As members were faced with business challenges related to the pandemic, an extension on Annual Member Dues payment was provided.

One of our members' key compliance requirements is the need for ongoing Continuing Professional Development (CPD) to maintain the



high competency level the public expects of a CPA. Ongoing learning upgrades the skills leaders need to thrive in today's rapidly evolving business environment and ensures CPAs are ready to tackle today's business trends. More than 2800 members were selected for the annual CPD audit with 94 per cent of those selected found to be in compliance, an increase of nine per cent over last year.

In the year ahead, new programs and tools will facilitate compliance and help members to better understand their obligations, including an interactive learning series that will outline compliance requirements and offer strategies to help meet these obligations. More information on this series will be shared in the early fall and will be available to all members and students.

PROFESSIONAL ADVISORY SERVICES

Trusted advice is valuable in the best of times. When disruption strikes and uncertainty proliferates, that advice becomes invaluable. Throughout the year, members and firms had access to resources compiled and developed by the Professional Advisory Services team. Online material was refreshed regularly so that CPAs were equipped with the most up-to-date information and resources to manage shifting business needs, changing government policies and revisions within the professional standards.

One-on-one support was available to help members and firms understand compliance with professional standards.

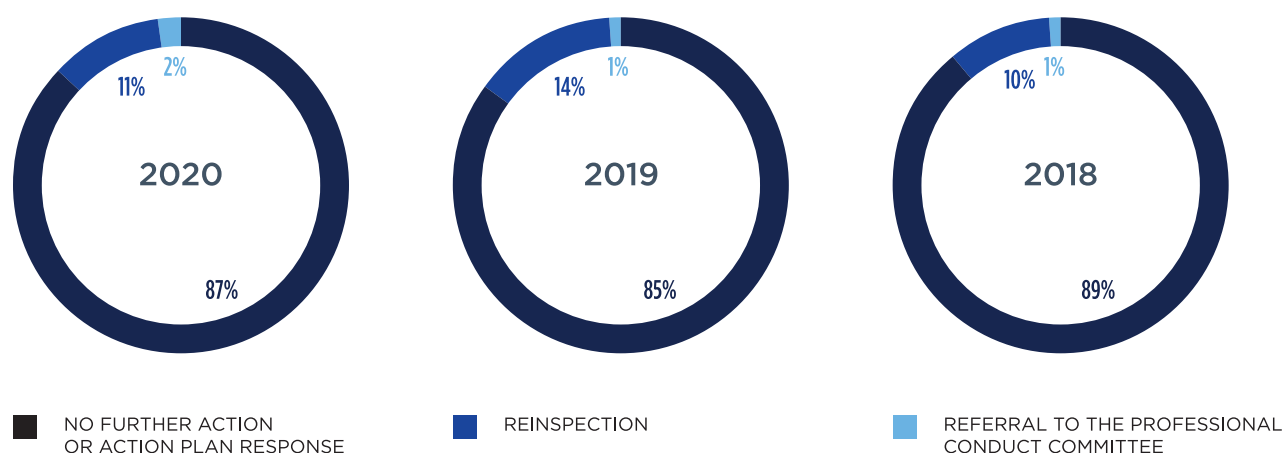
In the year ahead, Professional Advisory Services plans to expand its offerings on the CPA Ontario website, including a comprehensive hub for regulatory updates, and information on professional standards, together with resource material and guidance to help members understand the requirements and comply with the professional standards. These improvements will make it easier for members to access the information they need when they need it.

PRACTICE INSPECTIONS

CPA Ontario regularly inspects members and firms engaged in public practice to ensure they are in compliance with professional standards. As part of the inspection program, we assess quality control, review assurance and compilation agreements, and help to educate practitioners.

This year, inspectors were naturally attentive to the particular challenges firms faced as they began operating in a virtual environment, identifying some areas of concern related to work conducted in the pandemic: adequate risk assessments, exercising professional skepticism, increasing supervision and review, relevant financial statement disclosures and conducting going concern assessment. As we begin reviewing in fiscal 2022, we will pay close

RESULTS OF ASSURANCE PRACTICE INSPECTIONS



attention to these areas to ensure that practices have followed the necessary standards.

In the previous annual report, we noted that we had started taking a more focused look at two emerging industries: crypto-assets and cannabis. Both industries are complex and evolving, which necessitates enhanced oversight.

Over the past inspection year, most crypto-asset engagements by practising offices took place in B.C., which meant that there were no inspections of crypto-asset files by CPA Ontario. We will continue to monitor the industry and will conduct inspections as needed. We did, however, inspect four files related to the cannabis industry, one of which revealed a significant deficiency related to a lack of sufficient evidence in estimating the value of the biological asset.

While the primary goal of inspections is to ensure compliance, all firms benefit from the insights gained from the inspection process. Each year, the Practice Inspection team compiles their findings and publishes them in the [Focus on Practice Inspection](#) report. The report includes a

variety of observations including inspection result statistics, areas of concern for practitioners and a root cause analysis of the reasons that firms failed inspections over the course of the year.

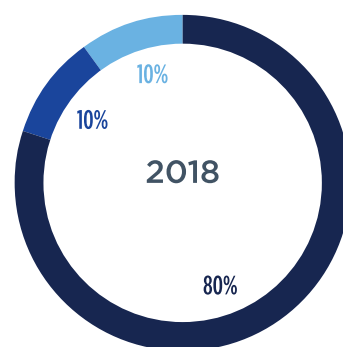
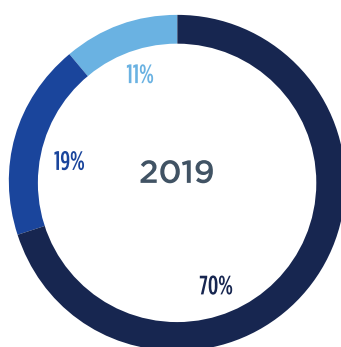
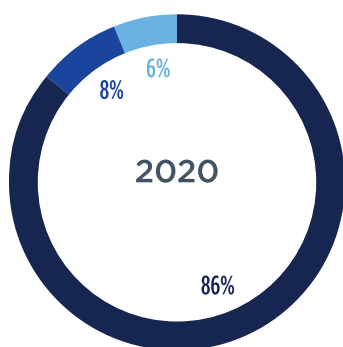
STANDARDS ENFORCEMENT AND DISCIPLINE

As a self-regulatory body, the CPA Ontario is trusted by the public that its discipline process is both rigorous and timely. Each complaint is assessed thoroughly and in a reasonable amount of time as determined by its level of risk.

CPA Ontario commits to the following timelines, all of which were met this year:

- acknowledging receipt of a complaint within 24 hours of receiving it
- conducting an initial review of a complaint within 30 days of receiving sufficient supporting information

RESULTS OF ASSURANCE REINSPECTIONS



■ NO FURTHER ACTION OR ACTION PLAN RESPONSE

■ REINSPECTION

■ REFERRAL TO THE PROFESSIONAL CONDUCT COMMITTEE

- on average, concluding complaints within eight months unless they proceed to a formal investigation or Discipline Committee proceeding
- on average, concluding 85 per cent of cases in our investigation process within five months

Once a complaint is found to warrant further scrutiny, it is sent to CPA Ontario's Investigations and Prosecutions team. Last year, CPA Ontario completed 64 investigations, including 36 per cent which were closed, 28 per cent which were closed with guidance from the Professional Conduct Committee and 36 per cent which were referred to the Discipline Committee.



CONCLUDED PROCEEDINGS

TRIBUNAL FINDINGS

In fiscal 2021, we completed 25 discipline and one appeal hearings, the findings and sanctions of which are set out below.

- Profession's Reputation 50%
- Professional Standards and Competence 27%
- Non-co-operation 23%

TRIBUNAL SANCTIONS

	FY21	FY20
Number of Proceedings Concluded	26	19

SANCTIONS

Fines	\$884,500	\$327,500
Suspensions	3	2
Revocations	13	7
Practice Restrictions	4	3
COSTS ORDERED	\$1,483,780	\$501,524

LEADING THE WAY FORWARD



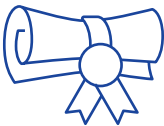
97,121

CPA Ontario members



37,996

Unique users of CPA Ontario's job board



1,424

CPA Ontario Fellows



8,627

CPAs who participated in our mentorship program

Over the past year CPAs were faced with the rapid acceleration and amplification of business trends and issues brought on by the pandemic. Organizations of all sizes converted entire workforces to remote working arrangements overnight. Managing the health and well-being of employees became a significant area of focus for leaders across all organizations. Digital transformation strategies that normally could have taken years were implemented in just weeks. What began as temporary accommodations quickly became entrenched common practice, many of which will remain

beyond the pandemic. New businesses and business models emerged while established ones fell away. Even as vaccines bring the promise of a return to safer interactions, they will not undo the deep changes to the economic and social structure that took place. As we adapt, we will be confronted with both uncertainty and opportunity.

Throughout the year our focus was on finding ways to deliver our services without interruption, during a time of overwhelming need for learning and connection.

Previous years' investments in the advancement of our digital strategy proved extremely valuable and point the direction for investments in the future. Moreover, in the midst of a growing conversation about the need for new modes of measurement and risk management, we launched a number of offerings for members with a view to position CPAs at the forefront of discussions about business transformation and enable them to find new opportunities for leadership amidst current crises of economic and social inequities.

MEMBER AND STUDENT ASSISTANCE PLAN PROVIDES MENTAL HEALTH AND WELLNESS SUPPORTS

Like many organizations in recent years, CPA Ontario has looked for ways to meet the need for more—and more accessible—resources for people suffering from mental health challenges.

The need for mental health and wellness supports became more acute as some members were confronted with pandemic isolation, fears about job security or work burnout. It was therefore very important to put a program in place to provide our members and students with confidential and complimentary access to resources. In November we were extremely pleased to launch the Member and Student Assistance Plan through LifeWorks, an employee

wellness company delivering comprehensive mental, physical, financial and social resources.

To bring awareness to this new benefit, a virtual launch event during Mental Health Awareness Week featured a discussion with Howie Mandel, a Canadian comedy icon and tireless advocate for normalizing discussions about mental health. Members can visit the [Benefits page](#) of the members area of our website to learn about how to access this service.

RESOURCES FOR NAVIGATING COVID-19 BUSINESS CONCERNS

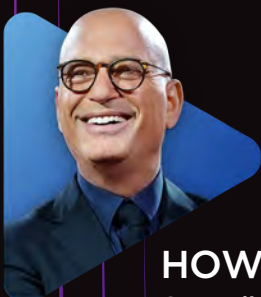
In addition to the disruption to everyone's daily lives, the pandemic created or amplified a broad range of business challenges. The need for more information was immediate to help members navigate through exceptional uncertainty.

In response, CPA Ontario launched a series of complimentary, virtual PD modules to help CPAs guide their clients and organizations through issues such as new government support programs for small businesses, pandemic-related fraud risks and obtainment of new financing. The demand for these modules was significant, with more than 20,000 registrations. The complimentary PD modules can be accessed through the regularly updated Covid-19 Impact: Resource Guide.



ADAM GRANT

**Best-Selling Author and
Organizational Psychologist**



HOWIE MANDEL

Comedian and Television Host



DR. DAMBISA MOYO

**Global Economist and New York
Times Best-Selling Author**



NICOLE PERLROTH

**Cybersecurity Journalist,
The New York Times**



FAREED ZAKARIA

**CNN Host and
Best-Selling Author**

INSIGHTS SPEAKER SERIES AND PROFESSIONAL DEVELOPMENT

Lifelong learning is a cornerstone of our profession—it is vital to ensure the skills and knowledge of CPAs are at the forefront of current business practice.

This year, as members faced the many business challenges brought on by the pandemic, learning offerings became fully virtual to increase ease of access and topics were aligned to provide value in the atypical climate. Even in a virtual world, these learning events brought together members from all over the province, creating new opportunities for powerful connections.

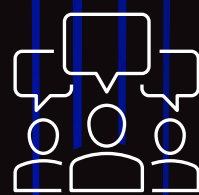
With the need for relevant and timely information more important than ever, in November we were pleased to launch the Insights Speaker Series. The series was wide-reaching and wide-ranging, designed to bring leading global thinkers to members and students. As the series came to life, we welcomed the following speakers and conversations:

- Organizational psychologist Adam Grant spoke about leading in the new world of distributed teams
- Author and leadership expert Simon Sinek discussed his observations from his latest book, *The Infinite Game*
- Netflix co-founder Marc Randolph shared his story of innovation, persistence and optimism
- New York Times journalist and best-selling author Nicole Perlroth highlighted the importance of protecting cyber safety through vivid, real-life stories
- Global Economist Dr. Dambisa Moyo discussed ways business leaders can and should respond to the most pressing ESG challenges
- Author and CNN host Fareed Zakaria shared perspectives on the most pressing shifts in the pandemic age, including diversity, inclusion and the digital divide

Given the strong interest and positive feedback, the Insights Series will continue in the year ahead, bringing more thought leaders to share their perspectives on progressive topics as the business world around us continues to shift.

In developing our PD programs, we consider not just what is needed by businesses today, but what will be in demand years from now. Throughout 2020, we had the opportunity to meet with employers across a variety of industries to hear their views about what skills the CPA of the future should possess. In the same way that this type of qualitative research informs the skills that our students must demonstrate before earning their designation, this will help us to develop relevant and timely PD offerings for members on a wide variety of topics including:

- data analytics and acumen with the practical application of data visualization tools
- risk management
- ESG corporate governance and reporting frameworks (see the Thought Leadership section below for more on this topic)
- communication skills and general business acumen, such as the ability to network, influence and build consensus



MEMBER EVENT FEEDBACK

- I am immensely enjoying these new topics...they broaden our knowledge and awareness and provide relevant context and discussion points for what is occurring in the world today and how it impacts us as CPAs/citizens/human beings. Great job on the decision to diversify these webcasts and for organizing such great discussions with excellent topics and speakers! Thank you for making them free as well, as many organizations are cutting back on CPD support funds for staff.
- CPA Ontario's virtual events continue to be the best produced by far. No other professional group or organization comes close—well done to the entire CPA Ontario team and keep up the great work.
- I would like to thank CPA Ontario for offering amazing free CPD courses. This is especially important in the current unprecedented pandemic times.
- I think it is wonderful to see a traditionally “conservative” profession such as accounting host a webinar on mental health. I am so proud of this as a CPA, CA who, by the way, is also a Registered Psychotherapist in Ontario.

EMERGING LEADER AWARD

The Emerging Leader Award is presented to young CPAs in Ontario who are recognized for their professional and philanthropic contributions. These forward-thinking CPAs age 34 and under are shaping the future of the profession and blazing new paths.

Last year we awarded eight recipients and celebrated their achievements at a virtual event, alongside their peers, colleagues and loved ones. The event highlighted our rising stars and connected them with Canada's favourite astronaut, Col. Chris Hadfield.



Narbe
Alexandrian
CPA, CA



Margarita
de Guzman
CPA, CA



Vivienne
Lutwama
CPA, CGA



Fahad
Meer
CPA, CA



Matthew
Roman
CPA



Katie
Sellers
CPA, CA



Fahad
Tariq
CPA, CA



Lisa
Thompson Horkins
CPA, CA

EMERGING LEADER
A W A R D

2020 FELLOWS EVENING OF DISTINCTION



FELLOWS

The FCPA designation is the mark of a true leader, the highest honour for a CPA, and represents the core values of the profession. Last year CPA Ontario recognized 50 members as new Fellows.

Within this remarkable group are innovators who have spearheaded transformational changes to help organizations meet the evolving demands of the economy, mentors who have paved pathways for the next generation of CPAs, and

philanthropists who used their expertise to continually give back to their communities.

Even in a virtual world, ensuring that this group was adequately celebrated was paramount. The new Fellows were honoured during a special at-home evening where host Peter Mansbridge told stories about their accomplishments and Sarah McLachlan shared two musical performances from her home.

PREPARING THE PROFESSION OF THE FUTURE



21,411

CPA Ontario students

The past year tested the resiliency and adaptability of students everywhere. Regardless of where CPA students were on their journey, the ever-evolving public health situation created change and uncertainty.



2,510

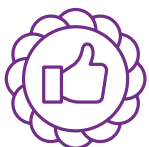
Post-Secondary Ambassadors

Keeping students on track remained at the forefront of our priorities throughout the year and nearly every component required some level of adaptation to meet shifting public health requirements. Students in the Professional Education Program (PEP) delivered what would normally be in-person assignments, presentations and exams, virtually. When the pandemic limited opportunities for students to obtain the required number of practical experience hours during the usual window of co-op work terms, we ensured students were not penalized or delayed in their progress toward completing the designation because of factors beyond their control, while also maintaining the quality and integrity of the education and practical experience requirements. The most significant adaptation was the Common Final Examination (CFE) in September 2020. Normally held in large convention centres, we needed to ensure students had their own writing space to meet public health guidelines. No matter the challenge, students continued moving through their journey and on the way to a rewarding career as CPAs.



16,809

Preparatory course module and exam enrolments



41

CPA Ontario students who placed on the national CFE Honour Roll



3

Years in a row the Governor General's Gold Medal was awarded to an Ontario student

EVOLVING COURSE DELIVERY

At the onset of the pandemic, there was a pressing need to make decisions prior to April 2020, the start of another semester for CPA preparatory (PREP) and PEP courses. At the time, the province was experiencing a significant spike in the spread of Covid-19, and difficult decisions were made to cancel several exams and courses including the May CFE.

As the public health situation evolved over the year, every effort was made to keep students on track. A number of temporary measures were put in place including allowing the completion of concurrent PEP modules / PREP courses as solutions for exam writing were developed. Likewise, deadlines to submit official transcripts from post-secondary institutions were extended to accommodate difficulties with mail caused by the pandemic.

Some coursework normally conducted in person had to be converted to virtual delivery. For example, workshops were changed so that students could watch a video presentation and then complete the accompanying activities. We have since expanded on these changes by offering workshops synchronously in a Zoom classroom.

While many of these changes were prompted or accelerated by the pandemic, the development of

many of them represents a broad evolution into the future of learning and will set students up for success today and tomorrow.

ALL FOR ONE: THE 2020 COMMON FINAL EXAMINATION

The CFE is a momentous event in every CPA's career. For many students it's the main point of focus throughout their education. They discuss it with peers in forums and group texts. They devote immense amounts of time to preparing for it. The results are eagerly awaited by their families, friends and employers.

One of the profession's greatest successes in 2020 was the delivery of the September CFE.

To ensure public health guidelines were followed for student, volunteer and proctor safety, thousands of hotel rooms were booked in 43 locations across Ontario to allow for each writer to have their own secure space. Of course, the level of logistical planning required to achieve this was substantive and required the help of every part of our organization and more than a thousand volunteers. This coming together of our profession to help accomplish this complex logistical challenge represented a high point during a difficult year. The effort by CPA Ontario and our members to ensure students would not be prevented from achieving this milestone

reinforced a strong sense of community and pride in the CPA designation.

Ontario students once again demonstrated their excellence by performing at the highest levels in the country with 2864 successful writers. Our students made up 41 of the students on this year's National Honour Roll and for the third year in a row the Governor General's Gold Medal for the highest standing in Canada was presented to a student from Ontario, Michelle Per from KPMG.

IMPROVED REPORTING OF PRACTICAL EXPERIENCE

The real-world lessons gained in the PEP help students transition from education to practice. They learn what awaits them in their future careers and it helps to narrow their focus on a specialty.

There are many components involved with practical experience and a focus this year was addressing two key pain points felt most by new students: understanding what the practical experience requirements are, and how the process for reporting practical experience works. New enhancements to the practical experience reporting tool (PERT) make it easier to navigate and help students stay on track with their documentation and reporting. A series of short, animated videos explaining practical experience and its value to students was developed as well. Likewise, a video helps mentors better understand their role in guiding students along the practical experience journey.

These two initiatives help students to reduce the amount of time they spend on administration and focus their attention on the core value of the program: learning about the profession from experienced CPAs so that they're ready to hit the ground running once they receive their designation.

RECRUITING FOR THE FUTURE

To ensure the long-term strength of the profession we need to recruit the best candidates to become the next generation of CPAs.

CPA Ontario's efforts to attract high-potential candidates to pursue the designation had to adapt to challenges presented by the pandemic. In a typical year, we rely on in-person events and advisement sessions which quickly became unavailable due to public health measures. Additionally, internationally educated professionals (IEPs) pursuing the designation make up a significant portion of potential CPAs, so government restrictions on immigration presented additional challenges to recruitment efforts.

Although the circumstances surrounding recruitment had changed, the appetite to become a CPA had not abated. It was up to the student recruitment team to find ways to ameliorate the conditions imposed by the pandemic and connect with eager candidates.

At the beginning of the pandemic the recruitment team converted in-person information sessions for high school students into virtual sessions, using a range of platforms that included opportunities for networking and established a sense of community.

The switch to virtual events significantly increased geographic reach. Events targeted to high school and post-secondary students saw much higher participation rates, particularly from potential students outside the Greater Toronto and Greater Ottawa areas than similar in-person events might attract. Some of the new virtual offerings also provided greater access to teachers and parents, who are key influencers for high school students. Likewise, virtual events for IEPs drew participants from 21 different countries.



DIVERSITY AND INCLUSION: REFLECTING THE PUBLIC WE SERVE

Amidst the economic uncertainty and volatility of the past year, the pandemic also cast a glaring light on societal inequities for Black, Indigenous and people of colour (BIPOC) communities. These include discrimination in the workplace and slow progress on diversity and inclusion in corporate leadership roles.

The accounting profession is not exempt from these issues and recognizes that we are stronger when we have a more diverse and inclusive workforce. Though CPA Ontario has worked hard to improve diversity and inclusion within our organization, we know that lasting change can only happen if we continue to take action to improve representation within our organization and our profession.

To that end, we have expanded the CPA Ontario Foundation. This year, CPA Ontario gave \$4 million to the CPA Ontario Foundation, with the goal of attracting high-potential students to the profession and supporting them throughout their education journey in pursuit of the CPA designation. Through support from Foundation scholarships, students from historically underrepresented groups will be able to pursue the designation and ensure a more equitable future for the profession.

We made a public declaration of our intent to address anti-Black discrimination and systemic racism by signing the BlackNorth Initiative Pledge, led by The Canadian Council of Business Leaders Against Anti-Black Systemic Racism.

A first step is examining structures within CPA Ontario. A diversity and inclusion working group composed of employees from across the organization is working to identify and remove barriers to creating a more diverse and inclusive organization. This work requires a specialized set of knowledge, and we are recruiting a Diversity and Inclusion leader to take the lead on our efforts and help implement best practices throughout the organization.

Understanding the make-up of members is equally important. This year, an optional, confidential member survey was added as part of the Annual Member Dues process. Anonymized and aggregated data was shared with Diversio—a reputable, certified platform specializing in diversity and inclusion—for analysis. Results reveal the profession in Ontario has higher than average gender equality. Results also show average racial and ethnic minority representation within those members who responded. Additional insights from this data will be shared more broadly in the coming months.

In addition to those efforts to enhance diversity in the profession, CPAs are prepared to contribute to this ongoing work by helping companies standardize the ways in which they quantify and report data as they relate to improving diversity, and other metrics related to ESG matters.

We still have significant work ahead of us, but we are committed to making our organization and our profession a more inclusive, accepting and equitable environment.



Leveraging new platforms to connect and engage remained a centrepiece of recruitment activities throughout the year. Outreach to high school students focused on skill development through a successful financial literacy workshop series. Post-secondary students and IEPs were able to connect with CPA members to learn more about the CPA journey using the Ten Thousand Coffees platform.

The first ever Live@The Drive-In event (pictured) attracted over 200 registrants, and a virtual version of our Chartered for Finance event drew almost 500 people, nearly double the previous year's registration total. With such strong participation, virtual student recruitment programs will blend with in-person programs in future once the pandemic recedes.



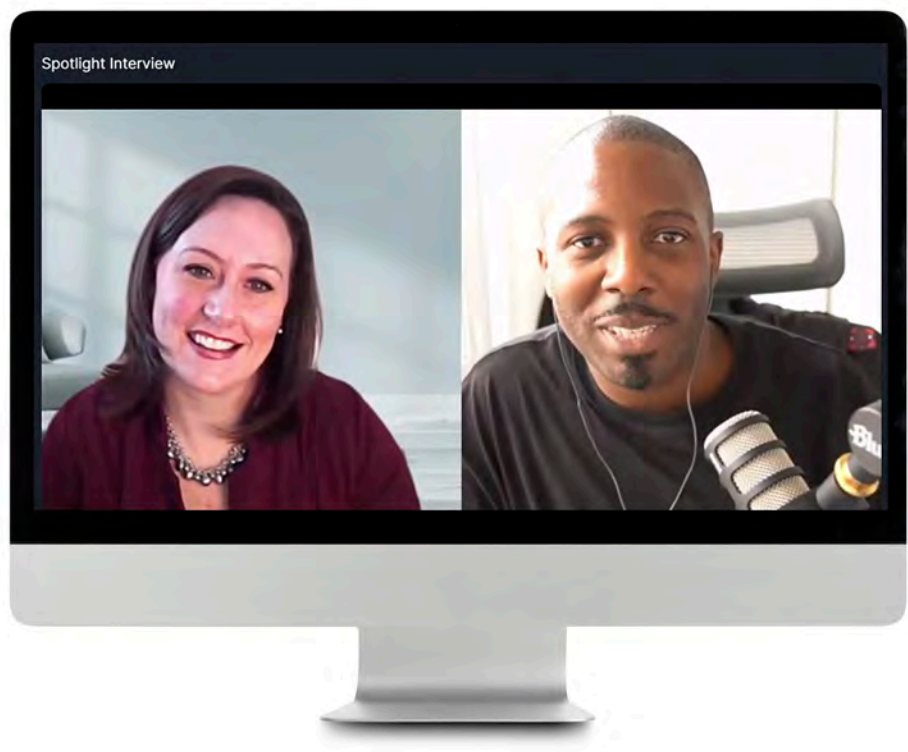
MAPPING THE FUTURE OF CPA EDUCATION

The pace of change today is so fast that as a profession we must stay agile and adaptable to the new expectations of CPAs. This year will be significant for charting the future of the CPA education path, as we consider changes to the Competency Map, the blueprint for achieving the CPA designation.

The Competency Map Task Force spent 2020 working on 15 research projects, including extensive research with academics and employers of all sizes and drafting the new Competency

Map. A public consultation process will run through 2021 and these recommendations are planned to be implemented beginning in 2024, which will result in the largest overhaul of the Competency Map since unification in 2015.

This work will ensure CPAs are equipped with future-proofing skills to tackle new technologies—data analytics and data visualization stand out—and new reporting demands around ESG concerns, while at the same time retaining the core CPA proficiencies. It's a major evolution for the future of the profession afforded by changing market demands.



CONVOCATION AND HONOUR ROLL CELEBRATIONS

Celebrating this milestone achievement for the next generation of CPAs remained important even within a virtual environment.

Thousands of successful 2020 CFE writers, along with their colleagues, mentors, family and friends, came together from their homes to recognize their achievements.

Emceed by media personality Tyrone Edwards of eTalk, the events included inspiring messages from CPA Ontario 2020 Emerging Leader Narbe Alexandrian, CPA, CA, Sarah Davis, FCPA, FCA, and actor and comedian Dan Levy (Schitt's Creek). To top it off, guests were treated to musical performances by Banners, Arkells, Neon Dreams and Kimmortal.



2020 HONOUR ROLL RECIPIENTS





SPOTLIGHT ON THOUGHT LEADERSHIP

Our thought leadership program is designed to fuel engaging dialogue on the most important topics for our profession. As thought leaders, we are examining potential issues and trends that affect both our profession and Ontario's business landscape.

Some of the key themes of our thought leadership activity in 2020 included:

- what business success should look like after the pandemic
- how to ensure marginalized groups are equal participants and beneficiaries of that success
- what skills and expertise CPAs will require to help organizations achieve these outcomes

ESG reporting skills and ethics training have already emerged as top considerations in our overhaul of the Competency Map, the blueprint for achieving the CPA designation, as well as for continuing PD offerings.

Our Insights series of virtual events and CPA Spotlight features connect our members with leading-edge thinking, business trends and management strategies to prepare for tomorrow's needs.

By engaging with the academic, broader business and policymaking communities through these initiatives, CPA Ontario is positioning the profession to play an integral role in meeting the business challenges of the coming decades.

THE RISE OF THE WARRIOR ACCOUNTANT

CPA Ontario's thought leadership centrepiece this year was the publication of *CPAs and the New Social Contract: The Rise of the Warrior Accountant*. The report draws on research and interviews with more than 40 business leaders, many of whom are CPAs, and delivers insights on what the explosion of interest in social impact and risk will mean for firms and professional accountants in Ontario.

The economic crisis associated with the pandemic, along with worldwide calls for racial equality, has led governments, citizens and the private sector to begin to forge a new social contract that delivers both prosperity and equality. With changing expectations of corporations by investors, employees and consumers, companies that are keen to communicate their long-term viability are increasingly aligning their ESG and financial reporting. However, the lack of consensus around ESG reporting standards, unreliable data and concerns about green washing or impact washing, mean that reporting may be easier said than done. The *Warrior Accountant* report looks beyond sustainability to provide an in-depth examination of the current state of ESG metrics, with a focus on how social metrics can be effectively measured and the role CPAs can play to accomplish this.



CPAs have the skills and experience to analyze and measure the impact ESG factors have on business. Our profession has a valuable role to play in the future by adding rigour, accuracy and consistency to social measurement and reporting, just as we have done with financial reporting. By doing so, CPAs can contribute directly to social change and help companies measure and report social impact in a way that is rigorous, thoughtful and bold.

Since launching the report in January, we have remained committed to carrying on the conversation and educating members across a variety of platforms. The report was brought to life with a virtual launch event featuring a conversation between economist and best-selling author Dr. Dambisa Moyo and BNN Bloomberg reporter Amber Kanwar, and through popular business media outlets including the Financial Post, BNN and Investment Executive. To support our members looking for more information on this ever-evolving topic, we have enhanced our PD programs to offer a variety of ESG courses and summits throughout the year. As our thought leadership program continues to progress and cover new topics, ESG will remain a focus to ensure that we are able to provide our insights.

BRIDGING PRACTICE AND ACADEMIA THROUGH POST-SECONDARY INSTITUTION RESEARCH

Ontario's post-secondary institutions play an important role in shaping the future of the profession. They provide the single largest pipeline of students to the CPA designation, and are engaged in notable research related to the accounting profession. Their importance is underpinned by longstanding partnerships through centres of excellence.

“RARELY HAS THE ACCOUNTING PROFESSION HAD SUCH A POTENTIALLY MOMENTOUS ROLE TO PLAY IN GLOBAL AFFAIRS”

GILLIAN TETT, FINANCIAL TIMES

Our objectives in supporting this research are twofold:

- to advance the profession by improving understanding of the concepts and practices related to it, as well as exploring the issues and ideas that are developing around its future; and
- to create thought leadership with the intent of bridging the worlds of scholarly research and practice and making the research accessible for our members

Each research centre has an advisory board comprised of researchers from that faculty, subject matter experts and CPAs working in the field that assesses research proposals based on their value to both academic knowledge and the profession.

We work together to share the knowledge and insights being developed in academia with a broad audience to give CPAs the edge they need to remain leaders as the business world undergoes rapid changes.

We have leveraged a number of strategies, including:

- turning academic papers into visual summaries or infographics
- writing journalistic and blog-style articles
- designing teaser videos to entice viewers to read the full whitepaper
- adding thematic interest areas to the Insights webpage

Conferences held by our research centres present a mix of academics and practitioners, providing opportunities for dialogue between the two. With the conversion to digital delivery of events this year, member interest and attendance has grown dramatically, increasing at each event as the year progressed.

Based on the elevating interest among members, we will continue to find innovative ways to bring these research papers and events to life throughout the coming year.



THINKING ABOUT ACCOUNTING

CPA Ontario partners on research and thought leadership with the following post-secondary institutions.

Brock University

CPA Ontario Centre for Public Policy and Innovation in Accounting

Queens University

CPA Ontario Centre for Governance and Accountability

University of Toronto

CPA Ontario Centre for Accounting Innovation Research

University of Waterloo

CPA Ontario Centre for Performance Management Research & Education

Western University

CPA Ontario-Ivey Centre for Accounting & The Public Interest

Wilfrid Laurier University

CPA Ontario Centre for Capital Markets and Behavioural Decision Making

York University

CPA Ontario Centre in Digital Financial Information

RISK AND RISK MANAGEMENT

Risks happen in the normal course of business. They can be heightened in complex environments and unusual circumstances. We face uncertainty, which can affect the implementation of our strategic and business plans. 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, which has become even more challenging with the Covid-19 pandemic. Covid-19 has had an impact on our organization, as well as on 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.

ERM supports the continued success of CPA Ontario by ensuring that we consider the effects of risk in pursuing our objectives. 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 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 has 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, they define 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.

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.

Cybersecurity. CPA Ontario faces the same information security risks that confront all organizations. Cyber risk is always present, constantly evolving, and requires constant vigilance, given the impact whenever this type of risk materializes. CPA Ontario takes steps to protect member and student data from unauthorized access. We continually harden and update 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 partners to similarly rigorous security standards.

Student Examination Delivery. Exams are a critical part of the CPA student journey and the Covid-19 pandemic has provided unique challenges to exam delivery. Like many other

education providers, CPA curriculum delivery moved online. We provided alternate forms of assessment during the pandemic and eliminated the need for large group gatherings. This included the use of standalone hotel rooms for the September 2020 CFE, with implementation of strong public health protocols to ensure the safety of CPA students and support staff. As we look forward, we will continue to focus on seamless delivery of exams through upgraded exam delivery software and related technologies.

Future of the CPA Profession. Like other professions, the accounting profession is experiencing unprecedented change from 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 to support business needs of the future. This includes the creation of a transformative CPA Competency Map, designed 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 professional development programs that will help members upgrade their competencies and skills, and we continue to significantly fund academic research at post-secondary institutions to advance the profession through insight and thought leadership.

Employee Health and Wellness. As with many organizations, employee physical and mental health and wellness are a priority. We are providing a safe, supportive, and healthy work environment, as employees work virtually during the Covid-19 pandemic. We provide support for employees through a comprehensive health benefits plan, and mental health resources are available to help our people navigate the immediate and long-term impact of the

pandemic. Ongoing communication with employees from leadership at all levels has been vital and we are designing safe and healthy workplace strategies for when we eventually return to our physical workplace. Over the long term, CPA Ontario is modernizing its workplace at 69 Bloor Street East and will ensure that the workplace we create not only leverages hybrid work models, but also is safe for our employees in the post-pandemic era.

Rapid Acceleration of Digitization of the Workplace. The pandemic has accelerated digitization efforts within organizations and pushed many operations and work processes to go virtual. CPA Ontario is committed to improving its digital fluency through ongoing recruitment and upskilling of employees to better leverage technology and data, in order to solve organizational challenges and make effective decisions. We will also ensure that our workplace continues to leverage innovative technology and adopts agile ways of working.

Business Resilience. As with all organizations, the Covid-19 pandemic has forced us to be more resilient to withstand, adapt, and thrive in the face of changes to normal business operations and to overall uncertainty. CPA Ontario rapidly responded to Covid-19 by moving to a virtual work scenario. Business continuity plans were implemented to smoothly transition our operations and critical employees were supported with appropriate backups. This planning ensured that all critical processes continued to operate without 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 when it is safe to do so.

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; and
- 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 on an annual basis 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.

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

Covid-19 Economic Impact. The worldwide coronavirus caused economic uncertainty and hardship for many Canadians. Widespread shutdowns and social distancing efforts led to job losses and impacted economic growth. The economic impact of the pandemic-related downturn and recovery creates continued uncertainty. We will actively monitor these economic factors as we support our members, students, and employers through this challenging time, while continuing to protect the public interest.

Credit Risk. 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 Risk. 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, which 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The Covid-19 challenges this fiscal year showcased the strength of our employees and highlighted their focus on supporting CPA Ontario in protecting the public and advancing our profession. The investments of the past years in digital and business transformation enabled our team to quickly adapt to the virtual platform.

The shift to remote work challenged our team to find new ways to support members, students and the public. We adapted from the historical in-person delivery for professional development, practice inspection and student education (including the CPA preparatory and PEP programs) and the Common Final Examination, as well as large events such as convocation. Our culture of innovation and financial discipline, together with our solid financial position, enabled us to adapt and deliver our mandate and ensure operations continued with minimal disruption.

Throughout the economic and social uncertainty of this year, we remained focused on the prudent management of CPA Ontario's financial position and financial health.

The following discussion lays out the financial position, results of operations and cash flows of CPA Ontario for the year ended March 31, 2021. This includes the key drivers of revenue, expenses and investments. It should be read in conjunction

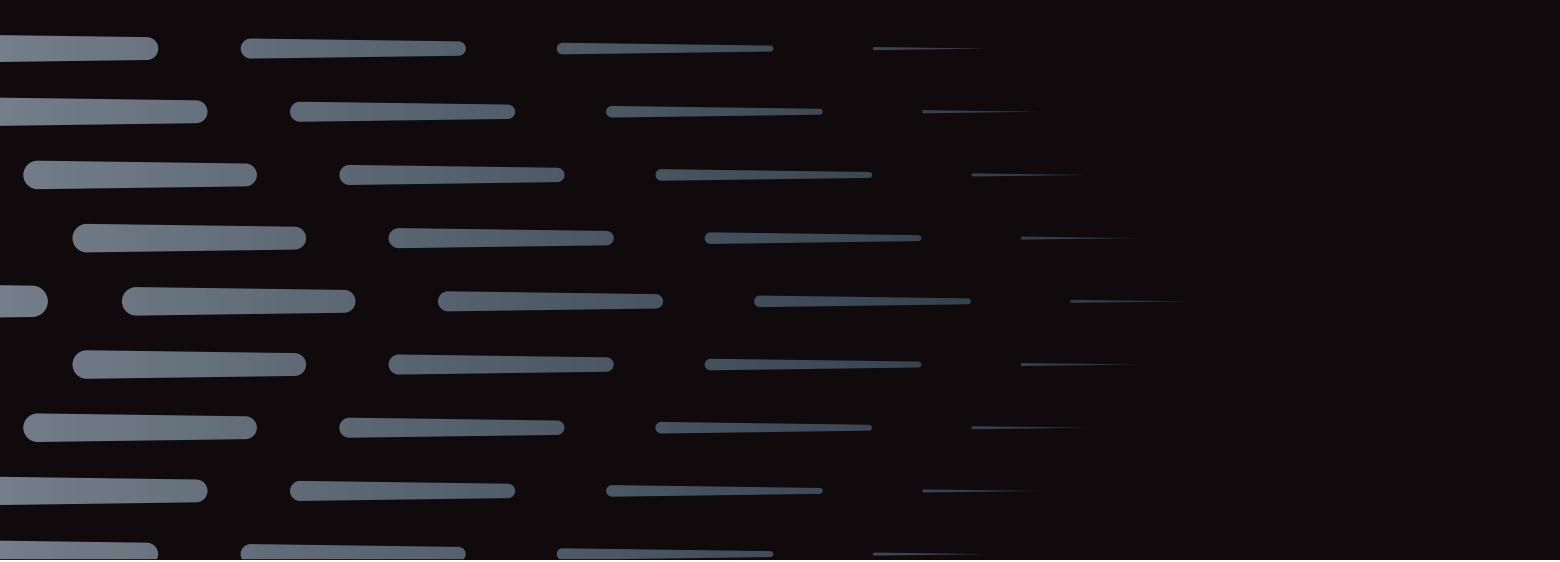
with the summary audited financial statements and accompanying notes for the same period.

FINANCIAL POSITION

CPA Ontario's net asset position remains strong at \$79.1 million at March 31, 2021, as compared to \$71.2 million in 2020. The \$7.9 million increase in net assets is driven by a \$7.7 million surplus of revenue over expenses on growth in revenue and strong cost management.

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 that is intended to support the organization's day-to-day operations in the event of unforeseen shortfalls or special projects. In fiscal 2021, we increased the operating reserve by \$0.5 million to \$27.0 million.

During fiscal 2021 the net cash generated from operating activities was \$5.5 million and the net cash used in investing activities was \$9.7 million. This compares to fiscal 2020, where the net cash generated from operating activities was \$4.4 million and the net cash from investing activities was \$4.0 million. At March 31, 2021, the organization's cash and cash equivalents totalled \$6.1 million. This reflects a decrease of \$4.2 million from the balance of \$10.3 million at the previous year end.



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 2021 total capital expenditures were \$0.8 million as compared to \$9.7 million in fiscal 2020, primarily related to our move to one location.

RESULTS FROM OPERATIONS

CPA Ontario operations in fiscal 2021 resulted in a surplus of \$7.7 million compared to a surplus of \$4.5 million in fiscal 2020 primarily due to higher revenues in fiscal 2021. Revenue in fiscal 2021 totalled \$113.0 million (2020: \$105.9 million). Our revenue came from three main sources: member dues, education and professional development. These categories delivered 91% of total revenue in fiscal 2021, compared to 94% in fiscal 2020.

Member dues. CPA Ontario collected \$47.9 million in dues in fiscal 2021, \$0.7 million more than the \$47.2 million collected in 2020. Member dues represented 42% of the organization's revenues (2020: 45%). There was no increase in provincial member dues in fiscal 2021, which remained at \$580, as set in fiscal 2015 when dues and fees were harmonized. The member population at March 31, 2021 is 97,121, an increase of 2,351 (2%) 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.

Beyond regulation, CPA Ontario delivers a wide range of member services, including advisement 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 and deliver economies of scale in the years ahead.

Education programs. Education program revenue and student dues totalled \$47.3 million in fiscal 2021 (compared to \$42.2 million in fiscal 2020).

Of this total:

- \$31.3 million (2020: \$27.3 million) came from the CPA preparatory course (PREP) and the professional education program (PEP)
- \$0.2 million (2020: \$0.2 million) came from other programs
- \$15.8 million (2019: \$14.7 million) came from student dues

Overall, students enrolled in 16,809 preparatory courses (compared to 14,021 in 2020) and 20,003 professional education program modules (2020: 17,220). The combined 17.8% increase in enrolment in the CPA programs is attributed to

there being five sessions in PEP for all modules (except for core 2) in 2021 versus three sessions in 2020. The contribution margin from CPA programs in fiscal 2021 was \$10.7 million (34.4%), compared to \$7.4 million (27.3%) in fiscal 2020. This increase was driven mainly by the additional sessions in 2021 and savings from online delivery of exams and workshops. Student dues were \$1.1 million higher than the prior year as a result of the timing of late fee recognition and bad debt expense arising from extensions granted for 2020 dues into 2021. The student population at March 31, 2021 was 21,411, which was a 3% decline as compared to 22,154 students at the end of fiscal 2020.

Professional Development (PD) programs.

PD revenue decreased by \$2.3 million, from \$10.3 million in fiscal 2020 to \$8.0 million in fiscal 2021. This was mainly driven by a decrease in in-person program revenue, which was impacted due to Covid-19 social distancing requirements in effect for the full year.

Professional Standards. Professional standards revenue was \$4.8 million, an increase of \$1.0 million from the prior year. The increase was driven by a major cost award of \$1.0 million in one case.

Expenses. Total expenses for fiscal 2021 were \$105.3 million, \$3.6 million lower than \$108.9 million in fiscal 2020. This decrease is primarily due to lower Professional Development, Operations, Marketing and Communications, and Registrar expenses largely due to the shift to online events and the shift to work from home, partially offset by higher Education expenses driven by additional PEP sessions in 2021.

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, 2021, 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, 2021.

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, 2021
Toronto, Ontario

SUMMARY STATEMENT OF FINANCIAL POSITION

As at March 31

(All amounts in thousands of dollars)


	2021 \$	2020 \$
ASSETS		
Cash and cash equivalents	6,078	10,291
Short-term investments and other current assets	10,316	10,171
Long-term investments	93,890	81,334
Tangible capital assets	8,784	10,299
	119,068	112,095
LIABILITIES		
Accounts payable and accrued liabilities	18,245	14,997
Deferred revenue	20,803	24,664
Employee future benefits obligation	906	1,251
	39,954	40,912
NET ASSETS		
Unrestricted	52,114	44,683
Operating reserve	27,000	26,500
	79,114	71,183
	119,068	112,095

(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)

	2021 \$	2020 \$
REVENUES		
Member dues	47,919	47,219
Education	47,258	42,218
Professional development	7,997	10,317
Professional standards	4,842	3,823
Investment and other	4,996	2,343
	113,012	105,920
EXPENSES		
Operations	41,936	43,500
Education	35,018	29,707
Professional development	7,667	11,923
Professional standards	8,526	8,970
Marketing and communications	6,220	7,619
Registrar	4,037	4,981
Student outreach program	1,932	2,228
Gain on sale of tangible capital assets (net)	-	(7,501)
	105,336	101,427
EXCESS OF REVENUES OVER EXPENSES	7,676	4,493

(See accompanying notes.)

SUMMARY STATEMENT OF CHANGES IN NET ASSETS

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

	2021		
	Unrestricted	Operating reserve	Total
	\$	\$	\$
BALANCE, BEGINNING OF YEAR	44,683	26,500	71,183
Excess of revenues over expenses	7,676	-	7,676
Remeasurement losses from pension and employee future benefits	255	-	255
Internal fund transfer	(500)	500	-
BALANCE, END OF YEAR	52,114	27,000	79,114

	2020		
	Unrestricted	Operating reserve	Total
	\$	\$	\$
BALANCE, BEGINNING OF YEAR	41,284	25,500	66,784
Deficiency 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

(See accompanying notes.)

SUMMARY STATEMENT OF CASH FLOWS

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

	2021 \$	2020 \$
OPERATING ACTIVITIES		
Excess of revenues over expenses	7,676	4,493
Adjustments to determine net cash provided by operating activities	(1,122)	(3,704)
Changes in non-cash working capital items	(1,033)	3,610
Cash flows from operating activities	5,521	4,399
INVESTING ACTIVITIES		
Cash flows (used in) from investing activities	(9,734)	4,049
Net change in cash and cash equivalents during the year	(4,213)	8,448
Cash and cash equivalents, beginning of year	10,291	1,843
Cash and cash equivalents, end of year	6,078	10,291

(See accompanying notes.)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the year ended March 31, 2021
(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, 2021, which were prepared in accordance with Canadian accounting standards for non-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 over 97,000 members and 21,000 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.

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

Daniela Carcasole
CPA, CA
Secretary

Paulina Molnar
CPA, CA
Treasurer

MEMBERS-AT-LARGE

Ian Jeffreys
CPA, CA

Stephen McCaughey
CPA, CMA

Tony Pedari
FCPA, FCA

Jennifer Roedding
CPA, CA

Daniel Rogozynski
CPA, CA

Brice Scheschuk
CPA, CA

Benjie Thomas
FCPA, FCA

Iliana Oris Valiente
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
*Human Resources
Committee, Chair*

Risk Committee, Chair

Daniela Carcasole
CPA, CA
*Governance &
Nominating Committee,
Chair*

ADJUDICATIVE COMMITTEES

ADMISSIONS & REGISTRATION

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CPA, CA, LPA
Chair

Mark Dimmell
CPA, CA
Deputy Chair

Gregory Hocking
CPA, CA, IPA
Deputy Chair

Bernard S. Schwartz
FCPA, FCA
Deputy Chair

APPEAL COMMITTEE

Elaine Sequiera
FCPA, FCA
Chair

Stewart Hardacre
CPA, CMA
Deputy Chair

CAPACITY COMMITTEE

John Love
CPA, CMA
Chair

John Worthington
CPA, CMA
Deputy Chair

DISCIPLINE COMMITTEE

Randal J. Adamkowski
CPA, CA
Chair

David Debenham
FCPA, FCMA
Deputy Chair

John H. Friday
FCPA, FCA, CMA
Deputy Chair

Andrea B. Mintz
CPA, CA, LPA
Deputy Chair

REGULATORY COMMITTEES

PRACTICE INSPECTION COMMITTEE

Jean M. Prichard
CPA, CA
Chair

PROFESSIONAL CONDUCT COMMITTEE

Leslie Davidson
CPA, CGA
Chair

PUBLIC ACCOUNTING LICENSING BOARD

John Beech
FCPA, FCA
Chair

Colleen Gibb
FCPA, FCA
Chair
(as of March 2021)

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 2021.

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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