



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
SASKATCHEWAN

Annual General Meeting Information Package

June 16, 2021

Annual General Meeting Agenda

Wednesday, June 16, 2021 at 12 p.m.

1. Call to Order
2. Adoption of the Agenda
3. Silence for Deceased Members
4. Adoption of Minutes of the 2020 Meeting
5. Business Arising from the Minutes
6. Introduction Of Special Visitors
7. Report of the Chair
8. Report of the Chief Executive Officer and Registrar
9. Financial Statements at March 31, 2021
10. Appointment of Auditor 2021/22
11. Board Nominations 2021/22
12. Other Business
13. Conclusion

MINUTES OF THE ANNUAL GENERAL MEETING OF

The Institute of Chartered Professional Accountants of Saskatchewan held virtually on September 2, 2020.

1. CALL TO ORDER

The CPA Saskatchewan Board Chair, Diana Leray, CPA, CA, called the meeting to order at 12:09 pm.

2. ADOPTION OF THE AGENDA

For the record:

Members in attendance: 65

Proxies received: 2

Motion: To approve the agenda as presented. (Lefol, Quick) CARRIED

3. SILENCE FOR DECEASED MEMBERS

The Chair asked for a moment of Silence for the following members who passed away this past year:

Robert Armstrong, FCPA, FCGA
Brian Atkinson, FCPA, FCA
Barbara Bright, CPA, CA
Robert Bundon, FCPA, FCA
Blair Doiron, CPA, CMA
Keith Grabeldinger, CPA, CMA
David Heron, FCPA, FCA
Garth Knakoske, CPA, CA
Neil Kuntz, CPA, CA
D. Gary Leland, CPA, CA
Joseph Merriman, CPA, CMA
Constance Millar, CPA, CMA
Gerhardt Neumann SR., CPA, CA
Edwin Penner, CPA, CMA
Larry Rode, CPA, CA
Nowell Stables, CPA, CA
Norman Walker, CPA, CA

4. ADOPTION OF THE MINUTES OF THE 2019 ANNUAL MEETING

The Chair advised that the minutes of the 2019 annual meeting were previously circulated to members in attendance.

Motion: To adopt the minutes of the 2019 annual meeting. (Massier, Filion) CARRIED

5. BUSINESS ARISING FROM THE MINUTES

None.

6. INTRODUCTION OF SPECIAL VISITORS

The Chair recognized the following special guests:

- Sheila Filion, CPA, CA (Chair of the Professional Practice Committee)

7. REPORT OF THE CHAIR AND CHIEF EXECUTIVE OFFICER

The Chair mentioned that the Annual Report had been circulated and noted the following areas of interest to the members:

- Strategic Themes
- Protection of the Public
- Designation of Choice and Growth
- Member Engagement
- Outlook for 2020/21

The Chair then thanked Shelley Thiel, FCPA, FCA, CEO of CPA Saskatchewan, the CPA Saskatchewan staff, and Board members for their assistance and support during the past year.

The Chair then introduced the Board members in attendance at the AGM:

Glen Bailey, FCPA, FCA
Carrie Carson, CPA, CA
Disha Joshi, CPA, CA
Paul Lepage, CPA, CA
Travis Massier, CPA, CMA
Rodney Sieffert, CPA, CA
Darcy Spilchen, CPA, CA, CMA

Public Appointees:

Kirk Cherry
Morris Smysnuik

Unable to attend: Paul Jacob, CPA, CMA, Bob Korol, FCPA, FCMA and Laurie Thomas, CPA, CMA

The Chair thanked all the members who have volunteered on the CPA Saskatchewan Regulatory committees this past year for their dedication to the profession and encouraged any members to contact Leigha Hubick or Shelley Thiel for information on volunteer opportunities.

8. REPORT OF THE CEO AND REGISTRAR

Ms. Thiel reported on the future of CPA Saskatchewan noting that the Board recently approved a new strategic plan. She also noted the work that the CPA profession is continuing their work on the Foresight Project and the future of the profession, developing new skills and competencies and significant changes to the future of education.

Ms. Thiel thanked the board for their service.

Ms. Hubick reported on the regulatory highlights for the year which included:

- It has been the busiest year yet for regulatory committees, more meetings and more decisions which a fundamental part of our regulatory framework. Each committee has public representation. Ms Hubick thanked the over 100 volunteers for their time and commitment to CPA Saskatchewan.
- Many enhancements were made to the website and social media channels were implemented. It is important that the institute be transparent and encourage member engagement.
- CPD verification process has been very successful. Large majority of members are complying and taking relevant and interesting PD.

Ms. Hubick noted that changes to CSRS 4200 Compilation engagements and licensing standards will result in regulation changes anticipated for the Fall 2021. CPA Saskatchewan will continue to improve our internal processes including registration and renewals.

9. FINANCIAL STATEMENTS

The Chief Executive Officer, Shelley Thiel, FCPA, FCA, presented the March 31, 2020 audited financial statements. Noting the changes to the new education governance structure with CPAWSB.

Motion:

To accept the Financial Statements for the year ended March 31, 2020 as presented.

(Bailey, Carson) CARRIED

10. APPOINTMENT OF THE AUDITOR

The Chair reported that the Board is recommending the appointment of Virtus Group Chartered Professional Accountants & Business Advisors LLP as auditors for the 2020/21 year.

Motion: To appoint Virtus Group Chartered Professional Accountants & Business Advisors LLP as auditors for the ensuing year. (Sieffert, Leier) CARRIED

11. BOARD NOMINATIONS

At the conclusion of the annual meeting, there will be seven vacancies on the CPA Saskatchewan Board, each for a three-year term. The Board complement for 2020/2021 will be made up of 11 members plus two public appointees.

This year we received ten nominations resulting in an election. The candidates who ran in this year's election are:

Bev Betteridge, CPA, CMA
Boni Dorish, CPA, CMA
Paul Jacob, CPA, CMA
Ryan Kitchen, CPA, CA
Chris Knihnitski, CPA, CGA
Fraser Kochan, CPA, CA
Laurette Lefol, CPA, CMA
Tom McClocklin, CPA, CA
Davey McLellan, CPA, CA
Rodney Sieffert, CPA, CA

Thank you to all of you for your interest in our profession. We look forward to working with all of you in some capacity with CPA Saskatchewan as we go forward.

Based on the election results I declare:

Bev Betteridge, CPA, CMA
Boni Dorish, CPA, CMA
Ryan Kitchen, CPA, CA
Laurette Lefol, CPA, CMA
Tom McClocklin, CPA, CA
Davey McLellan, CPA, CA
Rodney Sieffert, CPA, CA

are elected to the Board.

12. OTHER BUSINESS

This year we will have several retiring Board members, I would like thank Glen Bailey, Bob Korol, Darcy Spilchen, Laurie Thomas, Paul Jacob and our Public Appointee Doug Kosloski for their years of serving on the Board, many of which have served on the board since unification.

The Chair called Carrie Carson, CPACA, Vice Chair of the Board to the podium. Ms. Carson thanked Ms. Leray for her term as Chair of the Board.

13. CONCLUSION

There being no other business, the Chair declared the meeting ended at 12:39 p.m.

Diana Leray, CPA, CA
Chair

Shelley Thiel, FCPA, FCA
Chief Executive Officer



THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN

FINANCIAL STATEMENTS

MARCH 31, 2021



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

The Board has reviewed and approved these financial statements.

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

A handwritten signature in black ink, reading "Shelley Thiel", is positioned above a horizontal line.

Shelley Thiel, FCPA, FCA
Chief Executive Officer



**VIRTUS
GROUP**
Chartered Professional Accountants
& Business Advisors LLP

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of **The Institute of Chartered Professional Accountants of Saskatchewan** which comprise the statement of financial position as at March 31, 2021, and the statement of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Institute of Chartered Professional Accountants of Saskatchewan as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT continued

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

May 20, 2021
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN
 STATEMENT OF FINANCIAL POSITION
 As at March 31, 2021

ASSETS		<u>2021</u>	<u>2020</u>
Current assets			
Cash and short term investments (Note 3)		\$ 1,948,700	\$ 1,993,300
Accounts receivable (Note 8)		1,784,800	1,453,400
Prepaid expenses		<u>77,800</u>	<u>86,500</u>
		3,811,300	3,533,200
Long term investments (Note 3)		1,395,200	1,377,000
Tangible capital assets (Note 4)		<u>607,600</u>	<u>465,700</u>
		<u>\$ 5,814,100</u>	<u>\$ 5,375,900</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 317,400	\$ 379,000
Fees received in advance		<u>1,276,500</u>	<u>1,209,200</u>
		<u>1,593,900</u>	<u>1,588,200</u>
NET ASSETS			
Net assets invested in tangible capital assets		607,600	465,700
Unrestricted surplus		<u>3,612,600</u>	<u>3,322,000</u>
		<u>4,220,200</u>	<u>3,787,000</u>
		<u>\$ 5,814,100</u>	<u>\$ 5,375,900</u>
Commitments (Note 5)			

APPROVED BY:



Board Member



Board Member

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN
 STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED MARCH 31, 2021

	<u>Investment in tangible capital assets</u>	<u>Unrestricted surplus</u>	<u>Mar 31, 2021 Total</u>	<u>Mar 31, 2020 Total</u>
Opening balance	\$ 465,700	\$ 3,322,000	\$ 3,787,700	\$ 3,862,600
Amortization	(191,800)	191,800	-	-
Purchase of tangible capital assets	333,700	(333,700)	-	-
Excess (deficiency) of revenues over expenses	<u>-</u>	<u>432,500</u>	<u>432,500</u>	<u>(74,900)</u>
Ending balance	<u>\$ 607,600</u>	<u>\$ 3,612,600</u>	<u>\$ 4,220,200</u>	<u>\$ 3,787,700</u>

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021

Revenues	2021	2020
Member fees	\$ 2,453,900	\$ 2,373,000
Firm fees	501,400	385,900
Candidate/student fees	2,890,100	2,795,000
Member services and events	595,000	730,700
Regulatory functions	129,400	103,700
Other revenue	118,400	122,500
	<u>6,688,200</u>	<u>6,510,800</u>
Expenses		
Member services and events	339,600	724,600
Education delivery	2,280,300	2,434,200
Regulatory functions	568,100	338,400
Governance	47,700	101,200
Administration	3,020,000	2,987,300
	<u>6,255,700</u>	<u>6,585,700</u>
Excess (deficiency) of revenues over expenses	<u>\$ 432,500</u>	<u>\$ (74,900)</u>

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 432,500	\$ (74,900)
Amortization	191,800	93,700
Net change in non-cash current assets and liabilities related to operations (Note 6)	(317,000)	(328,200)
Cash provided by (used in) operating activities	<u>307,300</u>	<u>(309,400)</u>
Investing activities		
Decrease in long term investments	(18,200)	1,049,000
Purchase of tangible capital assets	(333,700)	(215,600)
Cash used in investing activities	<u>(351,900)</u>	<u>833,400</u>
Net increase (decrease) in cash	(44,600)	524,000
Cash and short term investments beginning of year	1,993,300	1,469,300
Cash and short term investments end of year	<u>\$ 1,948,700</u>	<u>\$ 1,993,300</u>

THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS
OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021



1. Nature of operations

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

2. Summary of significant accounting policies

Use of estimates

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

Financial instruments - recognition and measurement

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

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

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

Cash and cash equivalents

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

Investments

Investments are reported at fair market value.

2. Summary of significant accounting policies (continued)

Tangible capital assets

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

Revenue recognition

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

3. Cash and investments

	2021	2020
Long term investments	\$ 1,395,200	\$ 1,377,000
Short term investments	1,084,400	1,511,300
Cash	864,300	482,000
Total cash and investments	<u>\$ 3,343,900</u>	<u>\$ 3,370,300</u>

Long term investments consist of long term guaranteed investment certificates and federal, provincial, and A rated bonds with maturity dates ranging from June 2022 to December 2050 and an average interest rate of 1.51% (2020 – 2.66%).

Short-term investments consist of guaranteed investments certificates with an average interest rate of 2.30% (2020 – 2.32%)

4. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value 2021	Net Book Value 2020
Office equipment	\$ 238,400	\$ 156,200	\$ 82,200	\$ 68,600
Computer hardware	98,200	66,400	31,800	18,300
Computer software	482,800	144,300	338,500	174,200
Leasehold improvements	496,200	341,100	155,100	204,600
	<u>\$ 1,315,600</u>	<u>\$ 708,000</u>	<u>\$ 607,600</u>	<u>\$ 465,700</u>

During the period, tangible capital assets were amortized in the amount of \$191,800 (2020 - \$93,700).

5. Commitments

The Institute is committed to annual lease payments for office space, services, and post secondary support as follows:

2022	\$545,700
2023	\$428,500
2024	\$394,500
2025	\$257,200

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS
OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**



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

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

	2021	2020
(Increase) in accounts receivable	\$ (331,400)	\$ (309,100)
Decrease (Increase) in prepaid expenses	8,700	(14,700)
Increase (decrease) in accounts payable & accrued liabilities	(61,600)	21,400
Increase (decrease) in GST payable	-	(37,100)
Increase in dues and fees received in advance	67,300	11,300
	<u>\$ (317,000)</u>	<u>\$ (328,200)</u>

7. Chartered Professional Accountants of Canada (CPA Canada)

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

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

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

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

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

During the year, the CPAWSB collected annual candidate and student dues and course module fees of \$2,797,300 (2020 - \$2,753,000) on behalf of CPA Saskatchewan. The CPAWSB charged CPA Saskatchewan \$2,280,200 (2020 - \$2,434,200) for delivery of the education program. Prior to year end, CPAWSB collected annual candidate and student dues and course module fees of \$996,800 (2020 - \$892,600) on behalf of CPA Saskatchewan pertaining to the programs to be delivered on or after April 1, 2021, which are recorded as accounts receivable and fees received in advance.

**THE INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS
OF SASKATCHEWAN NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**



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

Amounts due from CPAWSB at March 31, 2021 totaled \$1,513,900 (2020 – \$1,225,100) and are included in accounts receivable.

During the year ended March 31, 2021, CPA Saskatchewan charged \$0 (2020 - \$16,700) to CPAWSB for operating costs incurred on behalf of CPAWSB. The transactions are in the normal course of operations, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. CPA Insurance Plans West (CPAIPW)

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

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

During the year ended March 31, 2021, the Institute paid benefit plan premiums for its employees to CPAIPW totaling \$60,000 (2020 - \$62,400). CPAIPW provided sponsorships to the Institute of \$6,000 (2020 - \$4,500). The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Financial risk management

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

Credit risk

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

Liquidity risk

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

11. Internally restricted funds

Effective April 1, 2021, the CPA Saskatchewan Board approved the internal restriction of funds for future discipline costs of \$250,000 and future investment in education of \$400,000.

12. Significant Event

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Institute is following health advisories and mandatory requirements from local, provincial and national health and government organizations. The Institute continues to fulfill the mandate set out in *The Accounting Profession Act*. As a result of the pandemic, the Institute transitioned to virtual offerings of events and education for the year ended March 31, 2021.

Board Nominations

Consistent with Bylaws 105.1 to 105.7 and 135.1 to 135.2, three members are to be elected to the Board this year. There were three vacancies on the Board as the first terms for three Board members were complete. All three Board members were eligible for re-election for a second term.

Board Nominations Received:

Paul Lepage, CPA, CA	KPMG LLP	Saskatoon
Travis Massier, CPA, CMA	Crown Investments Corporation of Saskatchewan	Regina
Nisha Doshi, CPA	Concentra	Regina

Continuing Board Members:

Bev Betteridge, CPA, CMA	Corner Office	Regina
Boni Dorish, CPA, CMA	Ag-West Bio Inc.	Saskatoon
Carrie Carson, CPA, CA	Deloitte LLP	Regina
Ryan Kitchen, CPA, CA	Baker Tilly SK LLP	Yorkton
Laurette Lefol, CPA, CMA	Canadian Corps of Commissionaires Inc.	Saskatoon
Tom McClocklin, CPA, CA	Colliers McClocklin Real Estate Corp.	Saskatoon
Davey McLellan, CPA, CA	Alliance Energy Ltd.	Regina
Rod Sieffert, CPA, CA	MNP LLP	Regina

Public Appointees to the Board:

Kirk Cherry	Concorde Group Corp.	Saskatoon
Morris Smysnuik	Retired	Saskatoon