



# Annual Report

2021-22



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## President's Report

It is a pleasure to highlight the work the College of Acupuncturists of Alberta (College) has accomplished in 2021. This past year was truly a year of change and transition for the College. In the midst of a global pandemic, the College navigated its first year under the Health Professions Act (HPA). The transition to the HPA clearly articulated our mandate to ensure public safety through improving standards of competency, practice, education, and ethics. This enabled the Council to reimagine the College's potential. The proclamation of Bill 46 further necessitated the Council to look inward and determine a new path forward.

In 2021, the Council of the College changed significantly. The College welcomed three new public members, Tamara Jones, Donna (Dee) Holstine Vander Valk, and Monica Ansah-Sam, who worked alongside the four regulated members that joined in 2020: myself, Jessica Stankowski, Michael MacFarlane, and Cindy Grainger. The new members integrated themselves into Council operations and very quickly added value to the Council and College. Jessica Stankowski and I assumed leadership of the College as the Vice-President and President of the Council. In 2021, there were more than 40 Council meetings that addressed the changes necessary to position the College under the HPA and clarified the next steps for the Council and the College.

In the fall of 2021, Paul Hu, the Executive Director/Registrar for the past 10 years, left the College. While Paul's efforts over the last several years were appreciated, his departure opened the opportunity for new leadership. The Council engaged an outside consultant to complete a full-scale governance review of the organization. The review identified several opportunities to improve the College's governance and oversight of the Acupuncturist profession.

The Council spent the winter of 2021/2022 working with external consultants to revise the job description of the Executive Director/Registrar to require professional management and strong governance experience. The Council was pleased to have Erin Stroud start as the Executive Director/Registrar just prior to our 2021 fiscal year-end.

The end of 2021 felt like the closing of a chapter of the College's history, one that provided a base to build the next chapter and the future of the College. My sincere appreciation goes out to the Council members and Committee members, whose efforts in 2021 were significant, and recognition to the staff at the College for their hard work and dedication during this transitional year. So much would not have been accomplished without the hard work of these individuals.

### **Michelle Phillips**

Council President  
College of Acupuncturists of Alberta



## Message from the Executive Director & Registrar

I am so pleased to be joining the College at a time when there is so much opportunity for our organization and the acupuncturist profession in Alberta.

Since coming on board in March 2022, I have been working with the Council, our regulatory committees, and College staff to develop a clear way forward that will help us improve oversight, provide consistency, and ensure that the public can have the highest level of confidence in our registrants.

Using insights gained through the 2021-2022 governance review, we are working to create a strategic plan and a mission and vision statement that will chart a course for the College's progress for years to come. Establishing a clear strategic direction will help us allocate resources and measure our success in fulfilling our role under the HPA. In the coming year, we will share a roadmap that will show how our achievements in 2021-2022 have laid the groundwork for the College's future growth.

We know that part of our development as an organization will involve improving our processes. Already, the College has made improvements to our financial practices, enhancing our controls in order to save money and ensure that our practices are informed by accounting expertise. We have also begun a modernization process, which began with the 2022 registration renewal cycle. In November 2021, we launched the software program Alinity to manage our workflows, allowing the College to move away from a paper-based system.

Going into the 2022-2023 fiscal year, the College is well positioned to build on our previous accomplishments in order to further enhance our organization and the standards of the acupuncture profession. I am confident that this time of change will result in a renewed commitment to upholding the safety of the public.

### **Erin Stroud**

Executive Director & Registrar  
College of Acupuncturists of Alberta



## Update on Our Business Goals

### Ensuring sustainability through improved financial practices

#### Target

Complete a full-scale revision of financial controls at the College.

#### Results

- Banking and financial policies have been updated.
- A new firm has been hired to take over day-to-day accounting tasks and payroll.
- A new auditing firm has been hired based on their extensive experience with other professional colleges.
- An investment advisor has been hired.

**How this helps us achieve our mandate:** Improving financial practices helps the College ensure that our position is sustainable. By hiring firms with experience working with regulatory colleges, we are also making sure that we have access to expert advice.

### Strengthening the College through better governance

#### Target

Complete an organizational and governance review of the College.

#### Results

- The governance review has been completed by an independent third-party.
- The College has addressed all 10 recommendations made in the governance review.
- A new policy framework has been approved by the Council.
- New governance policies have been approved and implemented.

**How this helps us achieve our mandate:** Improving governance better positions the College to serve the public interest. New policies and procedures will help the organization remain accountable to our stakeholders.



## Improving access through modernized processes

### Target

Launch Alinity to manage the 2022 registration renewal cycle.

### Results

- Alinity was launched as the College's management software in November 2021.
- The 2022 renewal cycle was processed through Alinity, allowing the College to move away from a paper-based system.

**How this helps us achieve our mandate:** Modernizing our processes allows for better access and security for registrants and improved administration for the College.

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In 2021-2022, even more changes came to the College, including...

- The hiring of Erin Stroud as Executive Director and Registrar, ensuring that the College has expert leadership to guide us through governance and policy changes.
- The onboarding of three new public members of the Council, improving representation for the people that we serve.
- The changing of our exam writing policy for students, allowing them to write earlier in their education journey and enabling them to begin professional practice sooner.



## Reports from Our Committees

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### Competence Committee

**Committee Chair**

Veronica Lee

**Committee Members**

Siying Wu

Tammy Lalonde

**Committee Activities**

Review and make recommendations for the Continuing Competence Program and Rules.

**Report**

In 2021, the Competence Committee (the Committee) met 4 times. The Committee thoroughly reviewed the draft of the Continuing Competence Program and rules. The proposed program and rules were shared with registrants on June 21, 2021. The committee considered feedback from registrants at the August 24th meeting and made further recommendations. The revised program and rules have been approved by the Council.

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### Examination Committee

**Committee Co-Chairs**

Wen-Jun (James) Dai

Echo Dawn Houle (Appointed Dec 2021)

Lowell Ask (Resigned Jul 26 2021)

**Committee Members**

Rose Galikas (Resigned Nov 30 2021)

**Committee Activities**

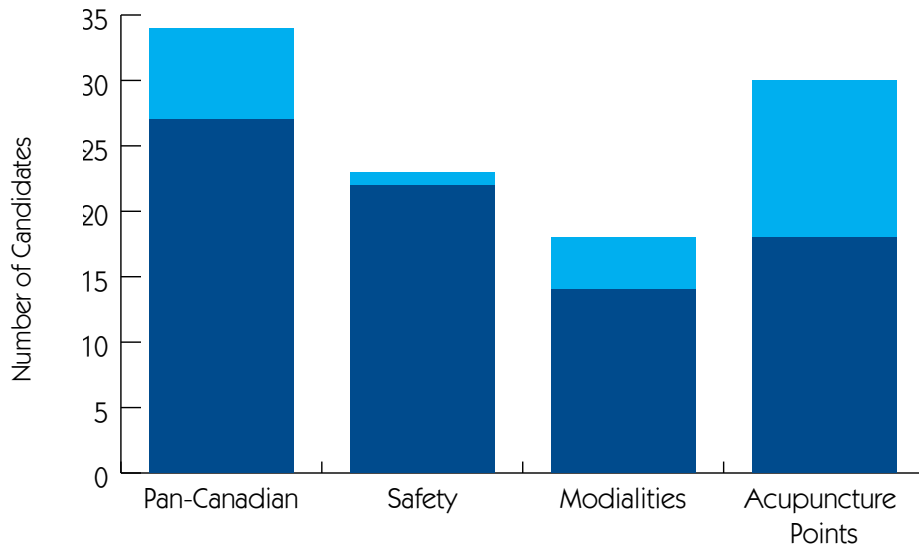
- Participate in Pan-Canadian Examinations activities such as item writing and review, exam validation, and pass mark recommendation.
- Develop exam policies.
- Prepare and administer the Alberta Acupuncture Registration Examinations.
- Rescore and review the Alberta Acupuncture Registration Examinations.

**Report**

In 2021, the Examination Committee met 5 times and successfully hosted two administrations of the Alberta Acupuncture Registration Examinations (AARE) during the pandemic. There were no reports of examiners or candidates contracting COVID-19 from the AARE.

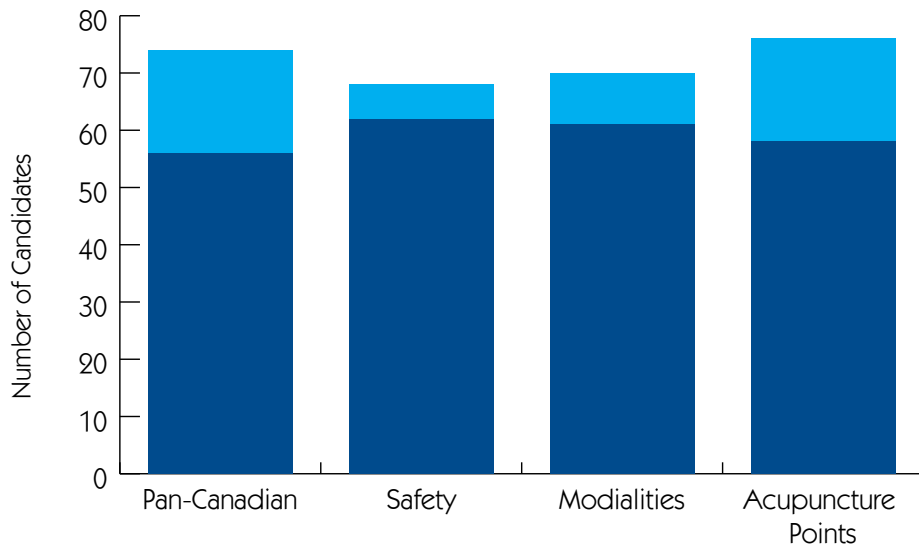
The examination results for the 2021 April and October AARE are summarized below:

### 2021 April AARE Results



Pass Rate	79%	96%	78%	60%
Failed	7	1	4	12
Passed	27	22	14	18

### 2021 October AARE Results



Pass Rate	76%	91%	87%	76%
Failed	18	6	9	18
Passed	56	62	61	58



## Registration and Acupuncture Education Program Review Committee

### Committee Chair

Lindsay Babcock (Cole)

### Committee Members

Katherine Talbot

Zhaocheng Han

Sarah Martins

Zoe Zhao

Shengping Zhao

### Committee Activities

- Review and make recommendations for:
  - registration/renewal decisions
  - registration/renewal policies
  - accreditation decisions
  - accreditation policies
- Conduct site visits for accreditation

## Report

The Registration Committee (the Committee) supports the College on matters concerning registration application and practice permit renewal. The Committee provides recommendations for registration and renewal policies and decisions, acting in the best interest of the public.

In 2021, the Committee met 9 times. In total, the Committee was referred 5 applications for registration, 6 renewal applications and 1 request for a final examination attempt. A summary of the applications reviewed is provided below.

Reason For Referral		Recommendation
<b>Registration</b>		
	Internationally Educated (2)	Examinations
	Currency-in-practice (3)	Practice visit, examinations, and/or supervised practice hours
<b>Renewal</b>		
	Insufficient Practice Hours (2)	Practice visit
	Return to Practice (4)	Practice visit, examinations, and/or supervised practice hours
<b>Examination</b>		
	Request for Final Attempt (1)	Further upgrading



In addition, the Committee reviewed and made recommendations for the following policies:

- Currency hours
- Professional liability insurance
- First-aid and CPR
- Courtesy registration
- Provisional registration
- Good character
- Non-practicing registration
- Return to practice

In 2021, the Registration Committee also performed the function of the Acupuncture Education Program Review Committee (AEPRC). Site visits for the approved acupuncture education programs began in November 2020 and concluded in 2021. The site visit includes the following components:

1. Self-Study Report
2. COVID-19 Program Adaptation Questionnaire
3. In-person Site Visit (cancelled due to the pandemic)
4. Virtual Site Visit
  - a. Online class observation
  - b. Interviews

Observations from the site visits are summarized below:

1. Lack of hands-on practice and clinical observation due to the pandemic.
2. Communication could sometimes be inconsistent or not made through appropriate channels, which caused confusion for students.
3. Lack of timeliness in responding to student enquiries.
4. Students may not have received a fair and adequate opportunity during their internship period.
5. Student assessments about school performance were sometimes not a reliable indicator of their registration exam performance.

The AEPRC will monitor the progress acupuncture education institutions have made to address this feedback at the next site visit.



## Registration Statistics

Permit Type	December 31, 2019	December 31, 2020	March 31, 2022*
Full	764	768	824
Temporary	1	1	0
Restricted	14	7	8
Inactive	15	15	12
<b>TOTAL</b>	<b>794</b>	<b>791</b>	<b>844</b>

### New Registrants by Registration Routes

Registration Route	December 31, 2020	March 31, 2022*
Examination	58	58
Equivalent jurisdiction (LMA)	8	10
Substantial equivalence	2	1
<b>TOTAL</b>	<b>68</b>	<b>69</b>

Data is unavailable for 2019.

### New Registrants by Education Programs

Education Program Type	December 31, 2020	March 31, 2022*
Alberta approved programs	60	59
Other Canadian jurisdictions	3	7
Internationally educated	5	3
<b>TOTAL</b>	<b>68</b>	<b>69</b>

Data is unavailable for 2019.

\*year end changed in mid-2021 from December 31 to March 31.

## Complaints Statistics

	January 1 2019 – December 31 2019	January 1 2020 – December 31 2020	January 2021 – March 31 2022*
Referred to hearing	5		2 <sup>1</sup>
~ Finding of unprofessional conduct	5		
~ Appealed to Council	1		
Appealed to Court of Appeal	1 <sup>1</sup>		
Under investigation			1
Dismissed following investigation		9	3
Dismissed without investigation			5
Informal resolution			1
Withdrawn			1
<b>TOTAL</b>	<b>5</b>	<b>9</b>	<b>13</b>

\*year end changed in mid-2021 from December 31 to March 31.

<sup>1</sup>Scheduled but have not yet been held.

**Note:** 2021/2022 stats will include both HPA and HDA matters. Complaints received under the HDA will be resolved under that legislation.



## Continuing Competence for Acupuncturists

The College of Acupuncturists of Alberta (College) implemented a new Continuing Competence Program (CCP) in 2022. The CCP is designed to ensure that registrants engage in continuing professional development and maintain competence throughout their career, thereby supporting the College's mandate to protect public interest.

Participation in the CCP is mandatory for all registrants on the General Register and Provisional Register and is a requirement for practice permit renewal. Registrants are required to submit their CCP documentation online annually as part of their practice permit renewal process.

### 2021-2022 CCP

Our previous continuing education policy required registrants to complete 50 hours of continuing education within the 2 years immediately preceding the date of application for registration renewal. As the new CCP is being implemented, registrants were not required to report their continuing education hours but were required to identify at least one learning goal to complete their renewal for 2022-2023 as required by the new CCP.

### 2022-2023 CCP

The new CCP maintains the continuing education hours framework from the previous policy and incorporates a portfolio tool to engage registrants in critical analysis and reflection. The portfolio tool offers an opportunity for registrants to self-reflect and set goals for continuing professional development. The goals provide purpose and direction for the learning activities. Upon completion of learning activities, registrants are required to reflect on the knowledge or skill learned. This process promotes critical thinking and reasoning and enhances levels of knowledge, skill, and judgement.

The requirements of the new CCP are summarized below:

1. Identify at least one (1) learning goal (max 10) prior to the start of a CCP cycle.
2. Complete and report a minimum of 15 CCP credits/hours of learning activities, including self-selected activities and college-directed activities, throughout the CCP cycle (April 1 to March 31 of the following year).
3. Complete a learning summary and reflection for each learning goal.
4. Keep supporting documents with respect to the CCP for at least five (5) years after the end of the CCP cycle.

The theme of the 2022-2023 college-directed activities is Respecting and Understanding Diversity. Relevant topics include, but are not limited to:

1. Indigenous Awareness/Indigenous Canada
2. Equity, Diversity, and Inclusion
3. Gender and Sexuality Diversity
4. Unconscious Bias

Completion of the 2022-2023 college-directed activities is optional and registrants can claim up to 10 CCP credits for college-directed activities.

# COLLEGE OF ACUPUNCTURISTS OF ALBERTA

## Financial Statements

Year Ended March 31, 2022

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## Management's Comments on the 2021-22 Financial Statements

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The 2021-22 fiscal year was the first full cycle of operation under the new fiscal year ending on March 31, 2022. The audited financial statements show a comparison between the 2021-22 operating year and the first three months of 2021, as the College transitioned to a new year end. Rutwind Brar, the College's new financial auditor, prepared these financial statements.

Significant accounting changes occurred in this fiscal year:

1. HGA took over the College's day-to-day financial management and bookkeeping, which resulted in improved cashflow management and improved operational oversight.
2. Membership fees were increased, resulting in a more balanced financial position.
3. Procurement review and approval processes as well as internal controls were improved.
4. Policies and procedures amongst committees (i.e., implementation of standard honorarium policies, per diem expenses, pre-scheduled meetings/agenda, requirements for meeting minutes, etc.) were implemented.
5. Financial reporting, accountability, cost allocations amongst special projects, committee/program expenses, and operational initiatives were improved.
6. Management oversight on operational efficiencies, workforce planning, streamlined job responsibilities, and cross training of the team were enhanced.

In 2021, the College launched a new online regulated member site, which allowed regulated members the flexibility to renew online for the first time. A higher than normal volume of students writing exams and subsequent new member applications occurred in 2021 due to Covid restrictions easing. An increase in interest income revenue occurred due to the maturity of a Guaranteed Investment Certificate.

Expense reporting shifted slightly under HGA, with direct costs allocated to each program rather than through committee expenses or College operation expenses. Overall, committee expenses were reduced due to hosting meetings virtually versus in person. The most significant increase in expenses was due to an increase in salary and contractor expenses related to the governance review, the change in management at the College and additional professional consulting services to assist management.

Statement of Operations in Fiscal 2022 resulted in a deficiency of \$108,526, which is manageable and expected – given the changes to the management team and implementation of operational changes as recommended by our consultants during the AGM last year. The College is trending towards the right direction with strict controls, reporting, and financial oversight – and we look forward to working with the team towards an even more balanced budget for fiscal 2023.

## INDEPENDENT AUDITOR'S REPORT

To the Members of College of Acupuncturists of Alberta

### **Opinion**

We have audited the financial statements of College of Acupuncturists of Alberta (the College), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, 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 College as at March 31, 2022, 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 (ASNPO)

### **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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

### **Other Matter**

The financial statements for the three month period ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 21, 2021.

### **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 ASNPO, 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 College'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 College or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's 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 auditor's 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.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism 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 College'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 College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the College 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 timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[Original signed by Rutwind Brar LLP]

Rutwind Brar LLP

Chartered Professional Accountants

September 13, 2022

Edmonton, Alberta

# Statement of Financial Position

## March 31, 2022

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 943,050	\$ 81,861
Short term investments (Note 4)	305,592	1,101,669
Accounts receivable	146,415	1,722
Prepaid expenses	5,409	12,419
	<u>1,400,466</u>	<u>1,197,671</u>
<b>LONG TERM INVESTMENTS</b> (Note 5)	203,918	202,577
<b>CAPITAL ASSETS</b> (Note 6)	7,457	10,039
	<u>\$ 1,611,841</u>	<u>\$ 1,410,287</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 118,483	\$ 262,228
Wages payable	2,010	-
Government remittances payable	10,485	10,060
Deferred income	896,500	445,110
	<u>1,027,478</u>	<u>717,398</u>
<b>NET ASSETS</b>		
Invested in capital assets	7,457	10,039
Unrestricted net assets	576,906	682,850
	<u>584,363</u>	<u>692,889</u>
	<u>\$ 1,611,841</u>	<u>\$ 1,410,287</u>

### LEASE COMMITMENTS (Note 7)

### ON BEHALF OF THE BOARD

[Original Signed]

## Statement of Revenues and Expenditures Year Ended March 31, 2022

	2022 (12 months)	2021 (3 months)
<b>REVENUES</b>		
Registration fees	\$ 760,694	\$ 142,161
Examination fees	120,020	1,750
Application fees	75,140	4,200
Interest income	58,035	1,312
Fines and Penalties	13,877	600
Other Income	6,731	390
	<u>1,034,497</u>	<u>150,413</u>
<b>DIRECT COSTS</b>		
Examination	122,396	-
Hearings	130,084	-
Complaints	41,607	-
Regulation	6,720	-
	<u>300,807</u>	<u>-</u>
	<u>733,690</u>	<u>-</u>
<b>COMMITTEE EXPENSES</b>		
Examination committee	22,965	8,965
Council expenses	21,868	3,670
Conduct and competency committee	12,078	22,697
Registration and program review committee	4,020	5,228
Budget finance and audit committee	2,786	-
Competency committee	2,200	-
Inter-profession advisory committee	500	-
Membership service committee	150	350
	<u>66,567</u>	<u>40,910</u>

(continues)

## Statement of Revenues and Expenditures (continued)

### Year Ended March 31, 2022

	2022 (12 months)	2021 (3 months)
<b>ADMINISTRATION EXPENSES</b>		
Salaries and related benefits	474,554	100,088
Office	73,515	6,012
Accounting fees	42,883	6,224
Legal fees	38,859	40,185
Professional fees	32,860	-
Rent and occupancy costs	29,696	6,946
Sub-contracts	28,795	-
Bank service charges	20,204	146
Professional membership dues	10,063	2,242
Telephone and utilities	9,070	2,050
Insurance	4,870	1,029
Reimbursements	3,900	-
Amortization of capital assets	2,582	642
Advertising and promotion	2,555	-
Repairs and maintenance	406	1,587
Annual General Meeting	371	-
Registrar expense	342	105
Meals and entertainment	124	-
Investigation fees	-	1,116
	<u>775,649</u>	<u>168,372</u>
<b>DEFICIENCY OF REVENUES OVER COMMITTEE EXPENSES</b>	<b>\$ (108,526)</b>	<b>\$ (58,869)</b>

## Statement of Changes in Net Assets Year Ended March 31, 2022

	Unrestricted net assets	Invested in Capital Assets	2022	2021
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 682,850	\$ 10,039	\$ 692,889	\$ 751,758
DEFICIENCY OF REVENUES OVER EXPENSES FOR THE PERIOD	(105,944)	(2,582)	(108,526)	(58,869)
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 576,906</u>	<u>\$ 7,457</u>	<u>\$ 584,363</u>	<u>\$ 692,889</u>

## Statement of Cash Flows

### Year Ended March 31, 2022

	2022 (12 months)	2021 (3 months)
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over committee expenses	\$ (108,526)	\$ (58,869)
Item not affecting cash:		
Amortization of capital assets	2,582	642
	<u>(105,944)</u>	<u>(58,227)</u>
Changes in non-cash working capital:		
Accounts receivable	(144,693)	(406)
Accounts payable and accrued liabilities	(143,745)	85,645
Deferred income	451,390	(17,324)
Prepaid expenses	7,010	(1,810)
Wages payable	2,010	-
Government remittances payable	425	10,060
	<u>172,397</u>	<u>76,165</u>
Cash flow from operating activities	<u>66,453</u>	<u>17,938</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of intangible assets	-	(997)
Proceeds from sale of short term investments	796,077	-
Purchase of short term investments	-	(475,983)
Accrued interest on long term investments	(1,341)	(330)
	<u>794,736</u>	<u>(477,310)</u>
Cash flow from (used by) investing activities	<u>794,736</u>	<u>(477,310)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	861,189	(459,372)
Cash - beginning of year	<u>81,861</u>	<u>541,233</u>
<b>CASH - END OF YEAR</b>	<u>\$ 943,050</u>	<u>\$ 81,861</u>

# Notes to Financial Statements

## Year Ended March 31, 2022

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### 1. PURPOSE OF ORGANIZATION

College of Acupuncturists of Alberta (the “College”) operates under the authority of the Health Professions Act of Alberta. The objects of the College are to serve the public interest and support the acupuncture profession by setting high standards of practice, education, competence and ethical conduct.

As a not-for-profit organization under paragraph 149(1)(l) of the Income Tax Act (Canada) the College is not subject to either federal or provincial income taxes.

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### 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Cash

Cash consists of cash on hand and bank deposits.

#### Short term Investments

Short term investments consist of Guaranteed Investment Certificates with maturity dates under one year and highly liquid investments that are readily convertible to known amounts of cash with an insignificant risk of changes in value.

#### Long Term Investments

The long-term investments consist of Guaranteed Investment Certificates with maturity dates beyond one year.

#### Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Furniture and fixtures	20% declining balance method
Computer equipment	30% declining balance method

Capital assets acquired during the year are amortized at one-half of the annual rates above.

#### Impairment of long lived assets

The College tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(continues)

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# Notes to Financial Statements

## Year Ended March 31, 2022

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

College of Acupuncturists of Alberta follows the deferral method of accounting for contributions.

Registration fees are recognized as revenue in the year to which they relate. Examination fees are recognized as revenue when the examinations are taken. Application fees and other unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Contributed services

Volunteers contribute a significant amount of their time each year. Due to the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

#### Financial instruments

The College initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The College subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short term investments accounts receivable and long term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are any indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount of timing of future cash flows. The carrying value of the financial asset is reduced to the highest present value of the expected future cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in the future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

#### Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

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### 4. SHORT TERM INVESTMENTS

	<u>2022</u>
GIC bearing interest at 1.08% payable on maturity, maturing on October 25, 2022	\$ 100,000
GIC bearing interest at 0.80% payable on maturity, maturing on October 25, 2022	100,000
Foreign fixed income mutual funds	95,592
GIC bearing interest at 0.75% payable on maturity, maturing on March 29, 2023	<u>10,000</u>
	<u>\$ 305,592</u>

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# Notes to Financial Statements

## Year Ended March 31, 2022

### 5. LONG TERM INVESTMENT

	2022	2021
GIC bearing interest at 0.6633% payable on maturity, maturing on April 24, 2022	\$ 203,918	\$ 205,577

### 6. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 19,657	\$ 15,638	\$ 4,019	\$ 5,741
Furniture and fixtures	15,787	12,349	3,438	4,298
	<u>\$ 35,444</u>	<u>27,987</u>	<u>\$ 7,457</u>	<u>\$ 10,039</u>

### 7. LEASE COMMITMENTS

Effective October 1, 2019 the College entered into agreement which expires September 30, 2024 for the lease of its premises. Commencing October 1, 2019 to September 30, 2021 the monthly rent payments exclusive of tax are \$2,137.50. Commencing October 1, 2021 to September 30, 2024 the monthly lease payments exclusive of tax are \$2,315.63.

2023	\$ 27,788
2024	27,788
2025	13,894
	<u>\$ 69,470</u>

### 8. OPERATING RESERVE

The College considers its investment in Guaranteed Investment Certificates as an operating reserve to cover future operating expenditures. The reserve is comprised of certificates included in the following accounts:

	2022	2021
Short term investments	\$ 210,000	\$ 300,000
Long term investments	203,918	202,577
	<u>\$ 413,918</u>	<u>\$ 502,577</u>

### 9. PROFESSIONAL LIABILITY INSURANCE PROGRAM

The College introduced a professional liability insurance program for its members to facilitate their requirement to obtain adequate professional liability insurance coverage. During the 2022 fiscal year this program was cancelled. Prior to its cancellation, the College collected \$ 5,094 (\$ 28,521 during the three months ended March 31, 2021) of premiums from participating members as part of their annual membership remittances and has forwarded these premiums to the insurance company.

# Notes to Financial Statements

## Year Ended March 31, 2022

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### 10. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of March 31, 2022.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. In compliance with the College's investment policy, fixed income investments are held in the form of Guaranteed Investment Certificates at a major Canadian chartered bank. The College has a significant number of members which minimizes the concentration of credit risk by its members. Therefore, it is in management's opinion that the College is not exposed to significant credit risk.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The College is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, obligations under operating leases, accounts payable and accrued liabilities. To minimize its liquidity risk exposure, the College maintains operating cash reserves invested in short term investments which mature at intervals that coincide with expected cash flow needs. Therefore, it is in management's opinion that the College is not significantly exposed to liquidity risk.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The College is mainly exposed to interest rate risk.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The College is not exposed to currency risk.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the College manages exposure by purchasing Guaranteed Investment Certificates with maturity dates under three years and with interest rates coinciding with actual market performance.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The College is not exposed to other price risk.

#### Change in risk

There have been no significant changes in the College's risk exposure from the 2021 fiscal year.

# Notes to Financial Statements

## Year Ended March 31, 2022

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### 11. SUBSEQUENT EVENTS

The ongoing pandemic of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in worldwide emergency measures to combat the spread of the virus. These measures, which include self-quarantine periods, have caused disruption to businesses globally, which are resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, including measures implemented by governments and central banks. It is not possible to reliably estimate the length of effect of these developments, including the impact on the financial results of the College of Acupuncturists of Alberta in future periods.

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## Schedule of Committee Expenses (Schedule 1)

### Year Ended March 31, 2022

	2022 (12 months)	2021 (3 months)
<b>EXAMINATION COMMITTEE</b>		
Honorarium	\$ 14,840	\$ 7,865
Travel	4,445	-
Accommodation	1,892	-
Meals	1,065	-
Parking	404	-
Supplies	262	1,100
Printing	57	-
	<u>\$ 22,965</u>	<u>\$ 8,965</u>
<b>COUNCIL EXPENSES</b>		
Honorarium	\$ 16,624	\$ 3,670
Office	4,500	-
Legal fees	513	-
Council expenses	232	-
	<u>\$ 21,869</u>	<u>\$ 3,670</u>
<b>CONDUCT AND COMPETENCY COMMITTEE</b>		
Legal fees	\$ 3,668	\$ 21,927
Honorarium	3,450	1,470
Acting complaints director	3,390	-
Acting registrar	800	-
Other	420	-
Training	350	-
	<u>\$ 12,078</u>	<u>\$ 22,697</u>
<b>REGISTRATION AND PROGRAM REVIEW COMMITTEE</b>		
Honorarium	\$ 4,020	\$ 5,020
Mileage	-	127
Parking	-	36
Travel	-	25
Meals	-	20
	<u>\$ 4,020</u>	<u>\$ 5,228</u>
<b>BUDGET FINANCE AND AUDIT COMMITTEE</b>		
Mileage	\$ 1,380	\$ -
Honorarium	1,060	-
Accommodation	200	-
Meals	145	-
	<u>\$ 2,785</u>	<u>\$ -</u>

## Schedule of Committee Expenses (continued) (Schedule 1) Year Ended March 31, 2022

	2022 (12 months)	2021 (3 months)
	<hr/>	<hr/>
<b>INTER-PROFESSION ADVISORY, MEMBERSHIP SERVICE AND COMPETENCY COMMITTEES</b>		
Competency Committee Honorariums	\$ 2,200	\$ -
Inter-Profession Advisory Committee Honorariums	500	-
Membership Communication Committee Honorariums	150	350
	<hr/>	<hr/>
	<b>\$ 2,850</b>	<b>\$ 350</b>
	<hr/>	<hr/>

## About the College

The College of Acupuncturists of Alberta serves the public interest and ensures public safety by setting high standards of practice, education, competence and ethical conduct.

## Contact

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