



COLLEGE & ASSOCIATION OF
Acupuncturists
OF ALBERTA

2020

Annual Report

January 1, 2020 - Decemeber 31, 2020

TABLE OF CONTENTS

3

4

President's Report

11
12

Complaints

5

Treasurer's Report

13
29

Financial Statements

6
7

Council and Committees

8
9

Highlights of 2020



Dr. Fu-Lin (Frank) Wang, PhD, MD (China), R.Ac.

The year of 2020 under COVID-19 pandemic has been challenging yet full of accomplishments and excitements for the College of Acupuncturists of Alberta (CAA).

With the support from the government and the membership, the acupuncturist profession successfully completed the transition to the Health Professional Act (HPA) effective December 30, 2020 – a milestone in the history of the profession in Alberta. As one of the regulated health professions since 1988, our members have been providing safe, effective, quality, and ethical care to Albertans. With a more efficient and effective governance structure provided by the HPA, we will make continued efforts to govern the acupuncturist profession in the best interest of the public.

As required by the HPA, Council, as the governing body of the profession, has been working tirelessly with Registrar/Executive Director and other staff to develop, review, approve, and implement regulations, bylaws, standards, directives, and procedures – some with extremely tight timelines. So much work has been completed, and here are some highlights:

- Reviewed and approved the Acupuncturists Profession Regulation under the HPA
- Developed, reviewed and approved the Bylaws under the HPA
- Developed, reviewed and approved the Terms of Reference for standing committees, and appointed
- the committee members and chairs, Complaints Director and Hearings Director
- Developed, reviewed and approved policy documents including Professional Liability Insurance, First
- Aid and CPR, and Visitor Policy for the public access to the council meetings
- Working on such policies and programs as Conflict-of-Interest Policy, Code of Ethics

Policy,

- Governance Manual, and English Language Proficiency, the Patient Relations Program, etc.
- Developed Standards of Practice (SOP) for Herbology and SOP for Supervision – completed the
- review of consultation
- Revised the Minimum Standards for Professional Acupuncture Education (MSPAEE) – in the process
- of consultation with remarkable progress and agreement on most of items
- Setup policy directions for the regulation of traditional Chinese Medicine (TCM)
- Approved the process of the Website development under the HPA

As the newest addition under the HPA in Alberta, we will learn and collaborate with other health professions and stakeholders to build and expand our solid foundation as an effective and collaborative health regulator, and to establish the TCM regulation which will benefit Albertans to have access to the entire spectrum of TCM safely, effectively, professionally, and ethically.

It has been my privilege in serving the College as the president. I'd like to extend a heartfelt thank you to our members who deliver the quality care to Albertans under the impact of COVID-19, to council members, College staff and Committee members who worked extremely hard to fulfill the HPA requirements to protect and serve the public interest. Thank you all for your commitment and contribution! I am confident that collectively we will build a brighter future of the acupuncture and TCM professions that will serve Albertans even better.

*edited to reflect 2020 only

TREASURER'S REPORT

5

Vanessa Ebertz

It is my honour to serve as the College Treasurer and provide a snapshot of the College's financial situation for this past 15 months. A lot has happened in the world and with the College which has caused fluctuations in both revenue and expenditures which are unique for 2020.

First, the pandemic changed the way the College and Alberta Acupuncturists do business. The registration exam in Spring of 2020 was canceled and the Fall exam faced higher fees for examiners and support staff while the 2020 AGM was hosted virtually for the first time resulting in a reduction in venue fees. While some expenses increased, others decreased which led to an overall stable balance sheet for 2020.

Secondly, the transition to the Health Professions Act should not be overlooked as this is a key to building trust and recognition from the government, other health professions, and most importantly, the public. The expenditures in 2020 have increased for various reasons and it is important to note that *it simply costs more* to operate under the HPA; with the first year under the HPA likely being the most significant cost as Council and committees hold more meetings to complete all the regulatory requirements demanded by the HPA and the additional staff and training that is also required. These expenditures should not be seen as cause for concern as by having the staff and regulatory requirements established, the College is better prepared to deal with complaints and can better mitigate risks.

What is cause for concern is the increase in legal fees the Conduct & Competency Committee has experienced. In 2019, the legal fees were \$80,295 and increased to \$239,717, an increase of 198% or nearly triple the fees in just one year. Being under the HPA will reduce some of these costs as the addition of our Complaints Director and the development of a complaints process will mitigate some of the unnecessary fees the College has experienced in the past, we all must be mindful in the reduction of unnecessary legal fees the College may endure.

The College, the council and the Budget, Audit and Finance Committee (BFAC) have been working hard to ensure the financial integrity of the College remains intact. With the HPA transition, the financial year end has been changed from December 31 to March 31st as this is a better time for the office to complete the financial year end and external financial audit.

BFAC reviewed the financial statements for the periods of January 1st, 2020 – December 31st, 2020, and January 1st, 2021 – March 31st, 2021. Going forward, the College financial year will capture April 1st – March 31st. The following financial activities took place in 2020:

1. Reduction in membership fees for 2021: Fees were reduced to acknowledge the challenges the Covid-19 pandemic offered CAA members as clinics were

closed in the second quarter of 2020

2. BFAC Internal Audit: Bank statements verified, financial records along with College policies reviewed, 2021 Fee Schedule determined, updated BFAC TOR and new financial policies created to minimize legal fees, and generated the 2021 budget
3. Hired Director of Competency and Education – April 2020
4. E-transfer accepted for membership fees
5. College Officially changed the name to CAA on banking and government documents

Anticipated upcoming expenses include:

- Development of a new College website which meets HPA requirements
 - Patient Relations Program Budget (\$40,000): required fund for counselling services for
 - complaints regarding sexual abuse and sexual misconduct
 - New committees: Membership Communication Committee, Inter-Profession Advisory Committee and Competence Committee
 - Committee and council meetings honorariums due to increased number of meetings as
 - work continues to meet HPA requirements
- Development of new Jurisprudence exam that reflects the HPA and will be developed
- in conjunction with other Health Professions
- BFAC, council and the College are committed to keeping membership fees as low as possible and we are proud to have the lowest membership fees in Canada. However, due to the transition to the HPA and the additional work and staff required, it is expected that membership fees will increase for 2022. In addition, the period covered for 2022 fees will capture 15 months rather than the usual 12 months. CAA will ensure members are advised of any changes well in advance so please anticipate further communication regarding membership fees for 2022.

I would like to take this time to extend my sincere appreciation of the enormous amount of work done by BFAC members as well as fellow councilors, Executive Director Paul Hu, and all office staff for your continued collaboration and dedication in upholding financial policies that ensure our financial longevity.

The challenges brought to all of us in 2020 have been overcome with patience, perseverance, and teamwork and the coming year will require the same level of commitment to working together. I look forward with optimism as the foundation of the College continues to be strengthened by the hands of committee members, operational staff, council and input from the membership in the development of policies and procedures reflective of HPA requirements. Together we are building a solid future for our profession; one we can all be proud of.

*edited to reflect 2020 only

COUNCIL AND COMMITTEES

COUNCIL

Fu-lin (Frank) Wang
 Lowell Ask
 Vanessa Ebertz
 Michael McFarlane
 Michelle Phillips
 Jessica Stankowski
 Cindy Grainger

President
 Vice President
 Treasurer
 Regulated Member
 Regulated Member
 Regulated Member
 Regulated Member

REGISTRATION COMMITTEE/ ACUPUNCTURE EDUCATION PROGRAM REVIEW COMMITTEE

Lindsay Babcock (Chair)
 Zhaocheng Han
 Zoe Zhao

Shengping Zhao
 Sarah Martins
 Katherine Talbot

HEARING TRIBUNAL AND COMPLAINT REVIEW COMMITTEE

David Dennis (Chair)
 Lisa Evren (Public Member)
 Ann Zee
 Linda Wu
 Brenda Kohut

Wendy Powell
 David Rose
 Shaomei (Sarah) Shen
 Skye van Munster
 Jiulin Wang

EXAMINATION COMMITTEE

Lowell Ask (Co-chair)
 Wenjun (James) Dai (Co-chair)
 Rose Galikas
 Echo Dawn

Don Fan
 Yucheng Chen
 Ricky Wang

COMPETENCE COMMITTEE

Veronica Lee (Chair)
 Tammy Lalonde
 Siying (Serena) Wu

BUDGET, FINANCE AND AUDIT COMMITTEE

Yang Su (Chair)
 William Zhao
 Jay McCoy

Jingzhao (Ricky) Wang
 Sarena Armsworthy

MEMBERS COMMUNICATION COMMITTEE

Ann Zee
 Lyla Yip
 Margaret Kennedy

Kirsten Carson
 Heather Fulker
 Izabella Costa

INTER-PROFESSION ADVISORY COMMITTEE

Peggy Yu (Chair)
 Dr. Steven Aung (Honorary)
 Alice Wong

Paula Croft
 Greg Eberhart (External Representative)

OPERATION BRANCH

Paul Hu
 Frank Yeh
 Jenney White
 Lesley Bober
 Janelle Kulak
 Peggy Eadie

Registrar/Executive Director
 Director of Competency & Education
 Registration & Examination Coordinator
 Bookkeeping & Hearings Director
 Communications Coordinator
 Administrative Assistant

HIGHLIGHTS OF 2020

8

The year of 2020 was very unusual for the acupuncturist profession. COVID-19 presented unprecedented challenges to our life and work. Against all odds, we completed the transition from the Health Disciplines Act to the Health Professions Act, with the support of Alberta Government, guidance of the Council of College of Acupuncturists of Alberta (CAA), the efforts by all members, and dedicated services of office staff. The transition provides a more modern and patient-focused governance structure and we are required to meet the same transparency and accountability mechanisms as all other regulated professions in Alberta under the Health Professions Act. Below are the highlights of some accomplishments achieved with collective efforts between January 2020 and March 2021.

01

NEW COUNCIL ELECTED IN JULY 2020

Council is the governing body of a regulated profession. With the support of Nomination and Election Committee, the College conducted an election via mail vote. The new term of Council took its office from July 12, 2020.

02

TRANSITION TO THE HEALTH PROFESSIONS ACT COMPLETED

Transition to the Health Professions Act has been an identified priority for the acupuncturist profession since 2013. All terms of Council and members at large have made great contribution to moving this forward. The Acupuncturists Profession Regulation under the Health Professions Act was developed. On December 2, 2020, the Lieutenant Governor in Council signed the Order proclaiming Schedule 1 of the Health Professions Act in force on December 30, 2020, which brought the acupuncturist profession under the Health Professions Act.

03

NEW BYLAWS APPROVED BY REGULATED MEMBERS

A new set of bylaws was developed by the Council with the assistance of the College's legal counsel to meet the governance requirements under the Health Professions Act. Two online meetings were offered to allow members to voice their discourse on the proposed bylaws. The proposed bylaws were approved by registered members via mail vote

04

PRACTICE GUIDELINES DURING COVID - 19

COVID-19 presented unprecedented challenges to people's life and work, especially the acupuncturist profession. To help people receive continued care they need and ensure the safety of the public and acupuncturists, the College developed COVID-19 guidelines in accordance with Government Orders and Directions.

05

MINIMUM STANDARDS FOR PROFESSIONAL ACUPUNCTURE EDUCATION

Education is the foundation of a profession. Under the Health Professions Act, acupuncturists are authorized to “diagnose, treat and prevent diseases, disorders and dysfunctions using methods based on the holistic principles of traditional Chinese medicine and on using methods of stimulating acupuncture points and meridians”. The College had three consultation meetings with stakeholders to begin establishing standards related to acupuncture education, trying to lay a solid foundation for the profession.

06

STANDARDS OF PRACTICE AND CODE OF ETHICS

Standards of practice and code of ethics are required under the Health Professions Act as well, in addition to the regulation and bylaws. The College has developed some standards of practice and circulated them to members for consultation. Other standards of practice will be developed or updated to guide members’ practice and protect the public interest.

07

NEW COMMITTEES ESTABLISHED

Committees play an important role. To perform its role under the Health Professions Act, Council established three new committees: Competence Committee, Members Communication Committee, and Inter-profession Advisory Committee. Due to the proposed separation between regulatory college and professional association in Bill 46, Council dissolved the Member Services Committee.

08

NEW STAFF POSITION

To meet its mandate under the Health Professions Act, the College hired Mr. Frank Yeh in April 2020 as Director of Competency and Education. His professional knowledge in acupuncture and traditional Chinese medicine has been a great asset for the profession.

The transition to the *Health Professions Act* provides an opportunity for more effective and efficient governance. We have a long way ahead of us, facing both challenges and opportunities. Going forward, the College will focus on our mandate of ensuring public safety through improving standards of competency, practice, and education and ethics.

REGISTRANTS

Permit Type	2019	2020	Change
Full Registration/General Register	764	768	+4
Temporary/Courtesy Register	1	1	0
Restricted/Provisional Register	14	7	-7
Inactive/Non-practising	15	15	0
TOTAL	794	791	-3

New Registrants in 2020 on General and Provisional Register by Registration Routes

New registrants through examination	58
New registrants through equivalent jurisdiction (LMA)	8
New registrants through substantial equivalence	2
TOTAL	68

New Registrants in 2020 on General and Provisional Register by Education Programs

Alberta approved programs	60
Other Canadian jurisdictions	3
Internationally educated	5
TOTAL	68

COMPLAINTS

11

In the year of 2020, a total of five (5) complaints were received under the *Health Disciplines Act*.

Complaints received in 2020 classified by nature

Nature of Complaints	# of Complaints
Health benefits (insurance issues)	2
Alleged improper communication with patients	1
Conflict	1

Complaints received in 2020 classified by complainants

Complainants	# of Complaints
Patients	1
Insurance company	2
Regulated health professionals	1

Disposition of Complaints received in 2020

Disposition	# of Complaints
No further action to be taken	2
Not yet concluded	3

Outstanding Complaints on December 31, 2020

Date of Complaint	Subject matter	Status
August 29, 2018	Improper insurance billing	Awaiting compliance with resolution
June 20, 2019	Inappropriate advertising	Review of Registrar's dismissal requested by Complainant

October 30, 2019	Professional Misconduct (outside of practice)	Referred to Hearing
September 3, 2019	Inappropriate communication with patient in public	Review of Registrar's dismissal requested by Complainant
June 24, 2019	Insufficient Supervision	Review of Registrar's dismissal requested by Complainant
December 31, 2019	Improper charting, failure to obtain consent, Improper billing	Awaiting referral to hearing
July 8, 2019	Conflict of Interest	Referred to hearing
July 20, 2020	Inappropriate conduct and Inappropriate Relationship	Awaiting decision by Registrar
November 16, 2020 (8 registrants)	Scope of practice, inappropriate billing and charting	Investigation in progress.

** 2020 statistics provided by previous staff and were unable to be verified. Specifically, there were only four complaints in 2020 documented

COLLEGE OF ACUPUNCTURISTS OF ALBERTA

(formerly College and Association of Acupuncturists of Alberta)

FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

14
15

**Independent Auditor's
Report**

19

**Statement of Cash
Flows**

16

**Statement of Financial
Position**

20
26

**Notes to Financial
Statements**

17

**Statement of
Operations**

27
29

**Schedule of
Committee Expenses**

28

**Statement of Changes
in Net Assets**



INDEPENDENT AUDITOR'S REPORT



MAH LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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To the Members of College of Acupuncturists of Alberta

Opinion

We have audited the financial statements of the College of Acupuncturists of Alberta ("the College"), which is comprised of the statement of financial position as at December 31, 2020, and the statements of operations, 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 December 31, 2020, and the results of its operations and its 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 College in accordance with the 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 those 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 College's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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Independent Auditors' Report to the **Members of College of Acupuncturists of Alberta**
(continued)

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. 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:

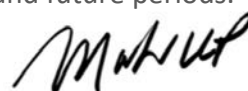
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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 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.

Emphasis of Matter

Without modifying our conclusion, please refer to Note 11 of the financial statements for details on how the COVID- 19 pandemic has impacted the College, the financial statements for the year ended December 31, 2020 and future periods.

Edmonton, Alberta
October 21, 2021



Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 866,920	\$ 978,808
Short-term investments (Note 2)	300,000	169,064
Accounts receivable	1,316	-
Prepaid expenses	10,609	8,566
	1,178,845	1,156,438
LONG-TERM INVESTMENTS (Note 3)	202,247	500,916
CAPITAL ASSETS (Note 4)	9,684	8,669
	\$ 1,390,776	\$ 1,666,023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 176,584	\$ 153,319
Government remittances payable	-	5,447
Funds received for award program	-	8,000
Deferred revenue	462,434	476,360
	639,018	643,126
NET ASSETS		
Net assets invested in capital assets	\$ 9,684	\$ 8,669
Unrestricted net assets	742,074	1,014,228
	751,758	1,022,897
	\$ 1,390,776	\$ 1,666,023

LEASE COMMITMENT (Note 5)

Approved on behalf of the Board

President
Treasurer

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS

Year Ended at December 31, 2020

	2020	2019
REVENUE		
Registration fees	\$ 605,590	\$ 576,072
Examination fees	57,700	186,500
Application fees	31,200	34,500
Interest	11,170	34,041
Other income	7,128	6,668
Fines and penalties	3,200	4,000
CEU income	600	11,406
	716,588	853,187
COMMITTEE EXPENSES (Schedule)		
Examination committee	\$ 141,891	\$ 129,901
Council expenses	29,159	36,060
Conduct and competency committee	44,610	93,367
Registration and program review committee	7,990	12,281
Membership service committee	1,785	25,365
Ad Hoc committee	1,341	-
Budget finance and audit committee	2,158	4,834
	228,934	301,808
ADMINISTRATION EXPENSES		
Accounting fees	\$ 26,172	\$ 23,464
Amortization of capital assets	2,574	2,706
Annual general meeting	651	3,970
Bad debts	-	50
Bank service charges	981	235
Computer services	1,344	903
Consulting fees	-	44,100
Insurance	13,195	12,049
Investigation fees	38,357	10,986
Legal fees	242,377	77,090
Office	44,735	22,066
Professional membership dues	8,979	8,059
Registrar expenses	975	7,939
Rent and occupancy costs	28,420	29,116
Repairs and maintenance	-	100
Salaries and related benefits	349,667	279,882
10% Temporary Wage Subsidy	(6,875)	-
Telephone and utilities	7,241	7,485
	758,793	530,200
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (271,139)	\$ 21,179

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

Year Ended at December 31, 2020

	Invested in Capital Assets	Unrestricted	2020	2019
NET ASSETS AT BEGINNING OF YEAR	\$ 8,669	\$ 1,014,228	\$ 1,022,897	\$ 1,001,718
Transfers to capital asset fund	3,589	(3,589)	-	-
Excess (deficiency) of revenue over expenses for the year	(2,574)	(268,565)	(271,139)	21,179
NET ASSETS AT END OF YEAR	\$ 9,684	\$ 742,074	\$ 751,758	\$ 1,022,897

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year Ended at December 31, 2020

19

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (271,139)	\$ 21,179
Add amortization of capital assets which does not involve cash	2,574	2,706
	<u>(268,565)</u>	<u>23,885</u>
Net changes in non-cash components of working capital		
Accounts receivable	(1,316)	1,051
Prepaid expenses	(2,043)	10,705
Accounts payable and accrued liabilities	23,265	(10,707)
Government remittances payable	(5,447)	(558)
Funds received for award program	(8,000)	8,000
Deferred revenue	(13,926)	(30,377)
	<u>(7,467)</u>	<u>(21,886)</u>
Cash flow from (used by) operating activities	<u>(276,032)</u>	<u>1,999</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(3,589)	-
Short-term investments	(130,936)	30,936
Long-term investments	298,669	328,532
Cash flow from investing activities	<u>164,144</u>	<u>359,468</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(111,888)</u>	<u>361,467</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>978,808</u>	<u>617,341</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 866,920</u>	<u>\$ 978,808</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Year Ended at December 31, 2020

20

PURPOSE OF ORGANIZATION

The College of Acupuncturists of Alberta ("the College") operates under the authority of the Health Professions Act of Alberta. The objectives 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.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as set out in Part III of the Chartered Professional Accountants ("CPA") Canada Handbook - Accounting Standards for Not-For-Profit Organizations ("ASNPO").

In the opinion of management, these financial statements have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Management Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Items in these financial statements subject to estimates and assumptions include allowance for doubtful accounts and the useful lives of capital assets.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, bank deposits and short-term investments cashable within ninety days.

Short-Term Investments

The short-term investments consist of Guaranteed Investment Certificates with maturity dates ranging from ninety days to one year.

Long-Term Investments

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

(continues)

NOTES TO FINANCIAL STATEMENTS

Year Ended at December 31, 2020

21

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital Assets

Capital assets are recorded at cost less accumulated amortization. The College amortizes the cost of the assets over their estimated useful lives as determined by management using the following annual rates and methods except for acquisitions in the current year which are amortized at one-half of the annual rates:

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

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.

Revenue Recognition

The College 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. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(continues)

NOTES TO FINANCIAL STATEMENTS

Year Ended at December 31, 2020

22

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 and cash equivalents, 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.

2. SHORT-TERM INVESTMENTS

Short-term investments consist of a Guaranteed Investment Certificate maturing on April 21, 2021 with an interest rate set at a minimum of 0.00% and a total return at maturity based on a stock equity index.

3. LONG-TERM INVESTMENTS

Long-term investments consist of Guaranteed Investment Certificates with maturity dates beyond one year and with interest rates set at a minimum of 0.6633% per annum and a total return at maturity based on a stock equity index.

NOTES TO FINANCIAL STATEMENTS

Year Ended at December 31, 2020

23

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2020 Net Book Value
Furniture and equipment	\$ 15,787	\$ 11,266	\$ 4,521
Computer equipment	18,660	13,497	5,163
	\$ 34,447	\$ 24,763	\$ 9,684

	Cost	Accumulated Amortization	2019 Net Book Value
Furniture and equipment	\$ 15,787	\$ 10,136	\$ 5,651
Computer equipment	15,071	12,053	3,018
	\$ 30,858	\$ 22,189	\$ 8,669

5. LEASE COMMITMENT

Effective October 1, 2019, the College entered into an agreement which expires September 30, 2024 for the lease of its premises. The minimum annual rental payments for the College's premises up to the expiry date of the lease in the coming years exclusive of taxes and other occupancy costs are \$102,600.

6. 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 December 31, 2020:

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.

(continues)

NOTES TO FINANCIAL STATEMENTS

Year Ended at December 31, 2020

24

6. FINANCIAL INSTRUMENTS (*Continued*)

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 cash equivalents and 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 risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk to the College's net assets that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The College is not exposed to foreign currency exchange 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 its exposure by purchasing Guaranteed Investment Certificates with maturity dates under three years and with interest rates coinciding with actual market performance. Therefore, it is in management's opinion that the College is not significantly exposed to interest rate risk.

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.

There have been no changes in the College's risk exposures from the prior year.

NOTES TO FINANCIAL STATEMENTS

Year Ended at December 31, 2020

25

7. OPERATING RESERVE

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

	2020	2019
Cash and cash equivalents	\$ 325,687	\$ 426,784
Short-term investments	300,000	169,064
Long-term investments	202,247	500,916
	\$ 827,934	\$ 1,096,764

8. PROFESSIONAL LIABILITY INSURANCE PROGRAM

The College has introduced a professional liability insurance program for its members to facilitate their requirement to obtain adequate professional liability insurance coverage. During the year the College collected \$136,002 (\$169,110 in 2019) of premiums from participating members as part of their annual membership remittances and has forwarded these premiums to the insurance company.

9. CHANGE IN OPERATING AUTHORITY

An Order in Council of the Province of Alberta proclaimed the inclusion of the College of Acupuncturists of Alberta as operating under the authority of the Health Professions Act of Alberta effective December 30, 2020. Prior to December 30, 2020, the College of Acupuncturists of Alberta operated under the authority of the Health Disciplines Act of Alberta.

As part of the transition from the Health Disciplines Act of Alberta to the Health Professions Act of Alberta, the College changed its name from the College and Association of Acupuncturists of Alberta to the College of Acupuncturists of Alberta.

10. SUBSEQUENT EVENT

A further consequence of the transition to operating under the authority of the Health Professions Act of Alberta was for the College to amend its bylaws effective January 23, 2021. To align with these amended bylaws, the College has changed its fiscal year-end to March 31 commencing in 2021.

NOTES TO FINANCIAL STATEMENTS

Year Ended at December 31, 2020

26

11. COVID-19

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

In March and December 2020, the Government enacted mandatory stay at home orders and put in place various restrictions on businesses and other organizations to stop the spread of the virus. This has caused the College to cancel its April 2020 exam sitting, which resulted in a 69% reduction of examination fee revenues in 2020. In addition, income from Continuing Education events declined by 95% as a result of the local public health restrictions on social gatherings.

The College received the 10% Temporary Wage Subsidy as part of the federal government's COVID- 19 response. To ease the financial burden of its members, the College reduced professional dues charged for 2021 by 10%.

With the recently issued relaunch plans to lift restrictions in stages based on population vaccinations in June 2021 and the new restrictions imposed in September 2021, the College believes that the organization will be able to offer all exam sittings. However, the pandemic is continuing to evolve and the ultimate duration and magnitude of the impact on the economy and the financial effect on the College's operations is not known at this time.

12. COMPARATIVE FIGURES

Certain of the 2019 comparative figures have been restated to conform with the presentation adopted for the current year.

SCHEDULE OF COMMITTEE EXPENSES

Year Ended at December 31, 2020

27

	2020	2019
EXAMINATION COMMITTEE		
Testing services Honorarium Travel	\$ 77,216	\$ 41,444
Hall rental	28,675	31,740
Legal fees	10,422	16,430
Meals	9,470	16,272
Accommodation	8,117	-
Supplies	3,586	10,592
Parking	3,345	10,236
Printing	687	1,902
	373	520
	-	765
	\$ 141,891	\$ 129,901
COUNCIL EXPENSES		
Legal fees	\$ 17,214	\$ -
Honorarium	11,700	13,460
Travel	180	10,923
Accommodation	50	6,560
Meals	15	4,011
Parking	-	58
Hall rental	-	1,048
	\$ 29,159	\$ 36,060
CONDUCT AND COMPETENCY COMMITTEE		
	\$ 33,549	
Legal fees	9,099	\$ 80,295
Honorarium	945	4,710
Acting registrar	743	-
Travel	155	6,225
Meals	119	396
Accommodation	-	1,321
Hall rental	-	190
Parking		230
	\$ 44,610	
		\$ 93,367

(continues)

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF COMMITTEE EXPENSES

(Continued) Year Ended at
December 31, 2020

	2020	2019
REGISTRATION AND PROGRAM REVIEW COMMITTEE		
Honorarium	\$ 7,110	\$ 6,930
Mileage	360	2,960
Accommodation	211	161
Meals	165	874
Supplies	144	125
Hall rental	-	1,168
Parking	-	63
	\$ 7,990	\$ 12,281
MEMBERSHIP SERVICE COMMITTEE		
Honorarium	\$ 1,050	\$ 7,120
Travel	370	5,513
Hall rental	210	4,828
Accommodation	124	1,014
Supplies	16	75
Parking	15	52
Consulting	-	5,900
Meals	-	863
	\$ 1,785	\$ 25,365
AD HOC COMMITTEES		
Honorarium	\$ 1,300	\$ -
Honorarium	41	-
	\$ 1,341	\$ -

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF COMMITTEE EXPENSES

(Continued) Year Ended at
December 31, 2020

29

	2020	2019
BUDGET FINANCE AND AUDIT COMMITTEE		
Travel	\$ 1,017	\$ 1,750
Honorarium	860	2,134
Accommodation	216	574
Meals	65	376
	<u>\$ 2,158</u>	<u>\$ 4,834</u>

The accompanying notes are an integral part of these financial statements.

A photograph of acupuncture needles. A glass of water contains several needles. In the foreground, a smooth, light-colored stone sits next to a single acupuncture needle. The background is a light blue gradient.

END SECTION