

2021 Annual Report

January 1, 2021 - March 31, 2021

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**Dr. Michelle Phillips, MS, RAc,
Dip.TCM, RH**

The past year has been one of many changes, shifts and pivots that everyone has been challenged to navigate. We have experienced more disruption, crisis and division than anyone deserves to. And yet, here we are. Still standing, still practicing and still holding our own as a newly regulated profession under the Health Professions Act.

I have only been President for a few short months so I will keep my message brief. Although the College has been around for over 10 years, the move to the HPA has felt like we are starting from scratch - literally from the ground up. There are more documents, policies, reviews and changes in procedures and processes than anyone cares to know. Our responsibilities have increased exponentially and the amount of work that is required to meet these expectations is monstrous. I am so grateful for the amazing team that I work with and recognize that without them, none of this would be possible.

There have been many changes this year and there will be more to come. We have undertaken an operational, procedural and governance review to ensure the integrity of and the strength of the foundation we are building on. A review of our financial standing is being performed also at our request,

so that we can make plans to ensure the CAA functions in a sustainable manner. We are divesting of all association functions and moving to a strict mandate of protecting the public. A web based system to facilitate many of our responsibilities under HPA is being implemented. This will help to preserve the accuracy and integrity of all procedures and processes, collect required data and reduce inconsistencies. It will also significantly increase the efficiency with which the CAA operates and reduce our costs in the long term.

The CAA is evolving into a strong and capable regulatory body that will serve in the public interest for many years to come. We have a Board that recognizes the value of hiring experts when we need them, appointing skilled and motivated individuals into key operational positions and most of all, that is passionate about appropriate governance of the profession. This will not only serve the public well but also the profession.

Thank you all for your show of support over these past few months. I look forward to being part of the many changes on the horizon and seeing the new CAA shine. Here's to bigger and brighter times ahead!

INTERIM EXECUTIVE DIRECTOR/REGISTRAR'S MESSAGE

Jennifer Galarneau (She/Her)
B.Sc JD LL.M Candidate -
Health Law

2021 has been a year of change for the College of Alberta Acupuncturists. As a new addition to the organization, and a part of that change, I am excited to lead the College through a pivotal time in the history of the CAA.

Our history is important. The unity of the profession of acupuncture to become regulated health professionals under the Health Professions Act is a great asset to the College. CAA must now focus on regulatory excellence. CAA's mandate, to protect the public, must be its focus going forward. CAA regulates the profession in furtherance of this mandate and as such no longer performs association functions.

It is a privilege to be a self-regulating profession, regulating in the public interest. With that comes significant responsibility, both for the College and the Registrants. CAA will enhance its Standards of Practice, policies, a disciplinary process, and a continuing competency program to direct and regulate the profession. As Registrants, there will be an expectation of conduct that is reflective of a health care professional, that is respectful to the College and the public, a willingness to learn and further their education, and first and foremost, ensuring they practice acupuncture in a safe manner. I am confident the profession of acupuncture will continue to meet these high standards.

There have been a number of changes

from the Government of Alberta, including the clear separation of college and association functions, that are designed to ensure efficient and effective governance of a regulatory body that serves and belongs to the public. The College will continue to work with the Government as a partner in these objectives.

The College is growing and progressing. In only a few short months there have been significant changes as the foundation of the College has been established. The College has a new image, moved to online platforms for management systems, completed an organizational review and are developing accounting systems.

Regulatory excellence will involve working with experts in a variety of areas; technology, accounting, legal and policy. I am committed to applying my knowledge and expertise along with other experts to bring regulatory excellence to CAA. The CAA will look different, regulate differently, and be seen as different. I encourage those professionals who wish to serve the public to become involved in the College when the opportunities arise.

“Don't let yesterday use too much of
today”
Will Rogers

MESSAGE FROM THE DIRECTOR OF COMPETENCY AND EDUCATION

Frank Yeh

2020 was a challenging year for all Albertans as a result of the COVID-19 pandemic. Acupuncturists, as one of many health professions, have provided support to Albertans during this unprecedented time while ensuring the safety of our patients and all Albertans. As COVID-19 continues to pose significant health risks, I urge regulated members to stay diligent in complying with the CAA Guideline: Practicing During COVID-19.

I have worked closely with the Competence Committee to develop our Continuing Competence Program under the Health Professions Act. A comprehensive literature review and environmental scan has been completed to identify the best model for our College. We are determined to establish a Program that:

Promotes and supports continuing professional development;
Supports adult learning principles;

Allows flexibility to accommodate various practice areas and settings; and

Engages members in critical thinking.

The new Program was circulated in June to solicit feedback from members. I am pleased to share with you that all feedback has been reviewed and considered. The College is working to complete the development of the Program and I will share details with you in the near future.

I am excited to continue working with my amazing colleagues and dedicated Council/committee members. We will continue to improve and are happy to hear your comments. If you have any questions or suggestions related to competency or education, please feel free to contact me at frank@acupuncturealberta.ca.

MESSAGE FROM THE COMPLAINTS DIRECTOR

Jennifer Galarneau (She/Her) B.Sc JD LL.M Candidate - Health Law

It is a pleasure to join the CAA as the Complaints Director. I am excited to join the College as it transitions from the *Health Disciplines Act* to the *Health Professions Act*. (HPA)

A significant change with implementation of the HPA is the way complaints are dealt with. This includes the appointment of a Complaints Director by Council. As the Complaints Director, I will be responsible for all the complaints received by the CAA and operate independently. I report directly to Council, which allows me to maintain an "arms-length" relationship from the College. I have also been appointed by Council to administer the Patient Relations Program.

Pursuant to the HPA, the Complaints Director has more ways to deal with complaints than under the previous legislation. Under the HPA, the Complaints Director may (with the exception of sexual abuse or assault complaints);

- a) Support resolution by
 - i. encouraging the complainant and the investigated person to communicate with each other and resolve the complaint,
 - ii. working with the complainant and the investigated person to attempt to resolve the complaint, or
 - iii. referring the matter to an Alternative Complaint Resolution Process.

- b) Request an expert to assess and provide a written report on the subject-matter of the complaint,
- c) Conduct, or appoint an investigator to conduct, an investigation,
- d) Dismiss the complaint if satisfied it is frivolous or vexatious or there is insufficient or no evidence of unprofessional conduct,
- e) Make a direction under section 118, or
- f) Refer the matter to the Hearing Director for a hearing.

It is important to me that I implement a process that is fair and unbiased. It should not only ensure the protection of the public, but also be respected by regulated members. Further, I will be using the complaints process as a way to identify areas of improvement for the College. Educating and supporting regulated members to further the protection of the public is a priority for me.

I have already had the opportunity to meet with a number of regulated members but I want to invite anyone who would like to speak with me or email me to do so at any time. My email is complaintsdirector@acupuncturealberta.ca.

PUBLIC MEMBERS REPORTS

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Tamara Jones

It has been such an incredible honour to serve as Public Member with CAA team since January, 2021. It has been a privilege to work alongside fellow council members who have committed an enormous amount of time towards a positive and successful transition to HPA.

There has been a considerable amount of change this year and will continue to share my voice when it needs to be heard and serve on any sub-committees I may be of use. There is still a lot of work that needs to be done and I am proud to work alongside you all during this process. Such an exciting time for CAA!

Dr Dee Holstine Vander Valk

I was honoured to join the CAA as a Public Member in July of 2021. In the time I have been with the College, major initiatives have been undertaken, tough decisions have been made, and countless hours of dedicated service have been spent in bringing the CAA into the fullness of its potential. As a public member, I have appreciated the opportunity to lend my skill and expertise to these changes, offering perspectives outside the scope of TCM practice to the ongoing conversations. I look forward to several more years of service with the CAA - the future is bright!

Monica Ansah-Sam

It is an incredible opportunity to be part of the CAA as a Public member. I have been with the council since October, and I have heard of the incredible work and tough decisions that had to be made to move the council forward. I have learnt a lot these past few weeks and will continue to provide my perspective through my experience as a public member. I look forward to several years of doing incredible work with the CAA. Really excited about the work ahead of us!

COUNCIL



Michelle Phillips
President



Cindy Grainger
Regulated Council Member



Jessica Stankowski
Vice President



Dee Holstine Vander Valk
Public Council Member



Michael McFarlane
Regulated Council Member



Monica Ansah-Sam
Public Council Member



Tamara Jones
Public Council Member

STAFF

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Jennifer Galarneau

Interim Executive Director/
Registrar and Complaints Director



Frank Yeh

Director of Competency and
Education



Georgeann Wilkin

Interim Hearings Director



Lesley Bober

Administrative Assistant



Jenney White

Registration and Examination
Coordinator

COMMITTEES

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)
Ann Zee
Wendy Powell
David Rose
Shaomei (Sarah) Shen
Skye van Munster

Jiulin Wang
Kim Chau
Linda Wu
Brenda Kohut
Lisa Evren

EXAMINATION COMMITTEE

Wenjun (James) Dai (Co-chair)
Rose Galikas
Echo Dawn
Don Fan
Yucheng Chen

COMPETENCE COMMITTEE

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

COMMITTEES

BUDGET, FINANCE AND AUDIT COMMITTEE

Yang Su (Chair-resigned)
William Zhao
Jay McCoy
Jingzhao (Ricky) Wang

Sarena Armsworthy

MEMBERS COMMUNICATION COMMITTEE

Ann Zee (Chair-resigned)
Margaret Kennedy
Heather Fulker

INTER-PROFESSION ADVISORY COMMITTEE

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

Paula Croft
Greg Eberhart (External Representative)

HGA Accounting

1. **Revenue Model Analysis:** HGA will provide a full detailed review, analysis, and assessment of the financial information for the Organization for the purposes of establishing a well supported Membership Revenue Fee Structure.
 - a) Action Plan:
 - **Review of Financial Information:**
 - Conduct a review of bookkeeping data and general accounting practices to ensure an appropriate allocation of transactions amongst various committees. Our financial review will include:
 - an analysis extended to the prior fiscal year end to ensure we encompass a full set of revenues and expense transactions;
 - an analysis of the financial transactions for the period April 1, 2021 to September 30, 2021 (representing the period subsequent to the audit with Mah LLP) to ensure the financial reporting pertaining to the current fiscal year is presented fairly; and,
 - compilation of a preliminary set of financial analytics representative of normalized annual operations of the Organization;
 - Assess whether further analytical work and/or journal entry adjustments are required to ensure the financial information is presented fairly; and
 - Conduct an analysis of cashflows and transactions pertaining to the various committees;
 - **Analysis of Expenditures:** Provide an analysis and allocation of expenditures specific to each committee and general and administrative categories; and
 - **Recommendation of a Fee Structure:** Provide an analysis to facilitate a framework for a sustainable Revenue Fee Structure to meet the long-term operational and financial needs of the organization.
 - b) Deliverables:
 - A report of our findings and recommendations for financial reporting best practices;
 - A revised trial balance for the organization as of September 30, 2021, should journal entry adjustments be required; and
 - A detailed recommendation for a Revenue Fee Structure

**Description provided in HGA proposal*

David Kay and Associates Organizational/Governance Review

The Project is designed to assess the CAA's existing governance functions and supporting operations/management processes and to identify best practices to ensure the CAA's compliance with its public interest and public safety mandate. Specifically, the Phase 1 and 2 objectives are to:

- Assess the current state through a structured methodology and qualitative techniques.

The current state assessment will document the current "as is" of processes in graphical, descriptive, and quantitative terms as applicable. This includes components such as staffing, roles and responsibilities, committees, organizational design, policies and procedures, templates, standards, and enabling technology. Registrant input will be sought through an online survey.

- Conduct an environmental scan to identify leading practices in regulatory and governance functioning and key supportive management functions.

The environmental scan, through internet-based search and (if required) telephone interviews with comparative organizations, will summarize the findings of best practices used by other regulatory organizations in Alberta, nationally and internationally that are of relevance to the CAA. Credible performance standards and practices from such organizations as the U.K.'s Professional Standards Authority for Health and Social Care, the Advisory Board Architects, Governance Professionals of Canada, and the Council on Licensure, Enforcement and Regulation (CLEAR) will be assessed

- Identify opportunities for improvement that may involve changes to governance structures and philosophy, policies and procedures, staffing, organization design, and enabling technology.

This deliverable will identify the opportunities for improvement and recommendations to move from the current state to the desired future state.

**description provided in the David Kay and Associates proposal*

ALINITY

Alinity is a comprehensive solution for self-regulated professions incorporating best practices from over 45 Canadian healthcare regulators. They specialize in regulatory colleges and associations under provincial Health Professions Acts. Alinity's latest version is a robust framework developed specifically to assist regulatory authorities, colleges, and associations in the Canadian context. The product automates key functions in regulatory work flows including registration, renewals, applications, correspondence, document management, payment and account tracking, continuing competence, jurisprudence, complaint/incident management, auditing and task management. The entire system is maintained in the Cloud.

**description provided in the Softworks (Alinity) proposal*

REGISTRANTS

Number of Registrants Between December 31, 2020 and March 31, 2021

	2020 (as of December 31)	2021 (as of March 31)	Change
Full Registration/General Register	768	815	+47
Temporary/Courtesy Register	1	1	0
Restricted/Provisional Register	7	3	-4
Inactive/Non-practising	15	26	+11
TOTAL	791	845	+54

New Registrants in 2020 on General and Provisional Register by Registration Routes (December 31, 2020–March 31, 2021)

New registrants through examination	47
New registrants through equivalent jurisdiction (LMA)	0
New registrants through substantial equivalence	0
TOTAL	47

New Registrants in 2020 on General and Provisional Register by Education Programs (December 31, 2020 - March 31, 2021)

Alberta approved programs	43
Other Canadian jurisdictions	2
Internationally educated	2
TOTAL	47

COMPLAINTS

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From January 1 – March 31, 2021, there was one (1) complaint received under the *Health Profession Act*.

Complaints received from January 1-March 31, 2021 classified by nature

Nature of Complaints	# of Complaints
Concern about College discipline system	1

Complaints received from January 1-March 31, 2021 classified by complainants

Complainants	# of Complaints
Regulated health professionals	1

Disposition of Complaints received from January 1-March 31, 2021

Disposition	# of Complaints
Withdrawn by Complainant	1

Outstanding Complaints on December 31, 2021

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)	Finding of Unprofessional Conduct. Awaiting sanctions.

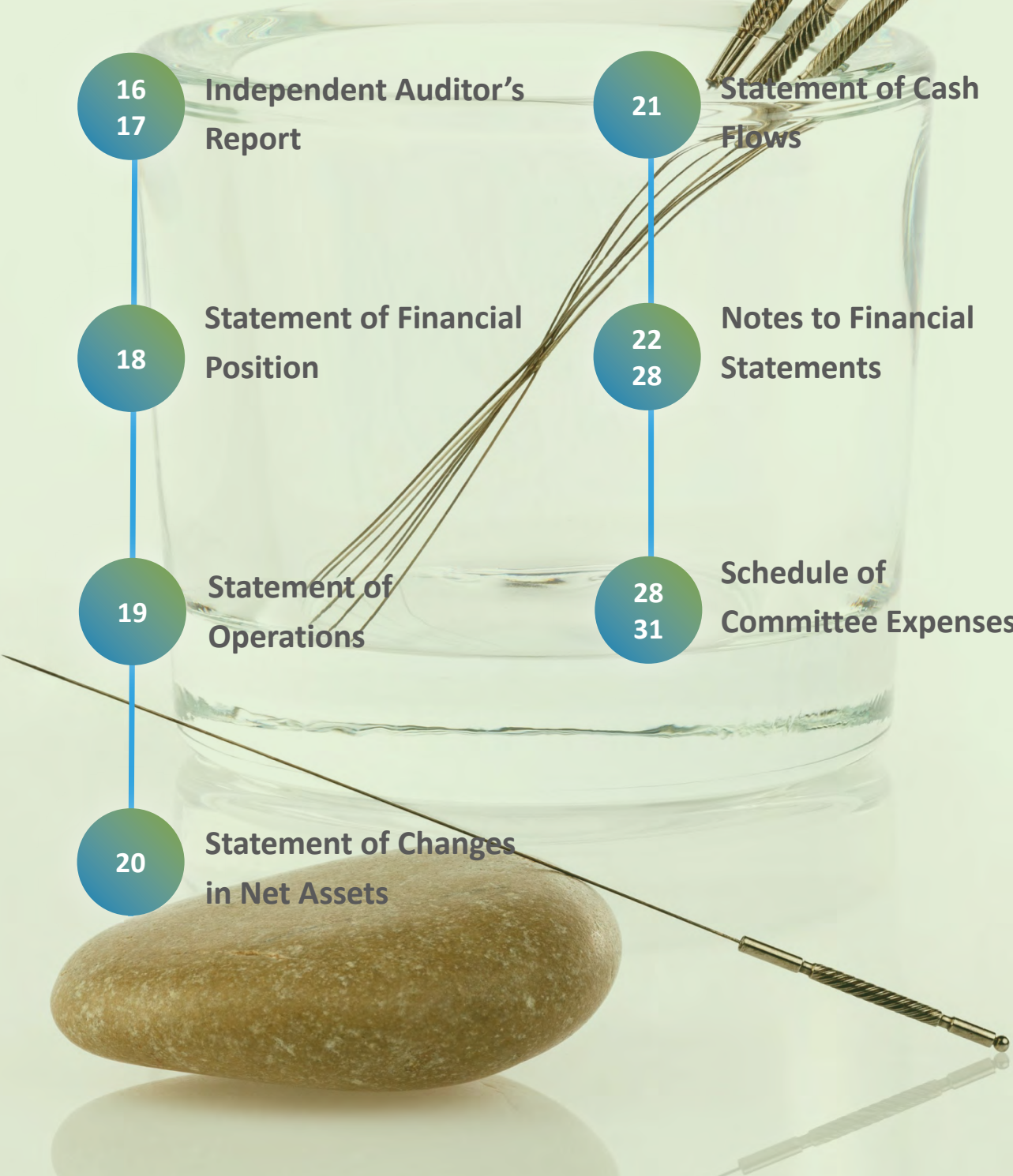
COMPLAINTS

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.
March 31, 2021	Concern about College discipline system	Withdrawn by Complainant

COLLEGE OF ACUPUNCTURISTS OF ALBERTA

(formerly College and Association of Acupuncturists of Alberta)

FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2021



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INDEPENDENT AUDITOR'S REPORT

**MAH** LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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Edmonton AB T5N 3Z1
Telephone: (780) 428-6890
Fax: (780) 425-1319
E-mail: info@mahllp.ca

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 March 31, 2021, and the statements of operations, changes in net assets and cash flows for the three months 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, 2021, and the results of its operations and its cash flows for the three months 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.

(continues)

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 9 of the financial statements for details on how the COVID-19 pandemic has impacted the College, the financial statements for the three months ended March 31, 2021 and future periods.

Edmonton, Alberta
October 21, 2021



Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	March 31 2021	December 31 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,183,530	\$ 866,920
Short-term investments	-	300,000
Accounts receivable	1,722	1,316
Prepaid expenses	12,419	10,609
	1,197,671	1,178,845
LONG-TERM INVESTMENTS (Note 2)	202,577	202,247
CAPITAL ASSETS (Note 3)	10,039	9,684
	\$ 1,410,287	\$ 1,390,776
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 262,228	\$ 176,584
Government remittances payable	10,060	-
Deferred revenue	445,110	462,4340
	717,398	639,018
NET ASSETS		
Net assets invested in capital assets	\$ 10,039	\$ 9,684
Unrestricted net assets	682,850	742,047
	692,889	751,758
	\$ 1,410,287	\$ 1,390,776

LEASE COMMITMENT (Note 4)

Approved on behalf of the Board

President
Treasurer

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

STATEMENT OF OPERATIONS

Three Months Ended March 31, 2021

	March 31 2021 (3 Months)	December 31 2020 (12 months)
REVENUE		
Registration fees	\$ 142,161	\$ 605,590
Examination fees	4,200	31,200
Application fees	1,750	57,700
Interest	1,312	11,170
Other income	690	7,128
Fines and penalties	300	3,200
CEU income	-	600
	150,413	716,588
COMMITTEE EXPENSES (Schedule)		
Examination committee	\$ 8,965	\$ 141,891
Council expenses	3,670	29,159
Conduct and competency committee	22,697	44,610
Registration and program review committee	5,228	7,990
Membership service committee	350	1,785
Ad Hoc committee	-	1,341
Budget finance and audit committee	-	2,158
	40,910	228,934
ADMINISTRATION EXPENSES		
Accounting fees	\$ 6,224	\$ 26,172
Amortization of capital assets	642	2,574
Annual general meeting	-	651
Bank service charges	147	981
Computer services	-	1,344
Insurance	1,029	13,195
Investigation fees	1,116	38,357
Legal fees	40,185	242,377
Office	6,011	44,735
Professional membership dues	2,242	8,979
Registrar expenses	105	975
Rent and occupancy costs	6,946	28,420
Repairs and maintenance	1,587	-
Salaries and related benefits	100,088	349,667
10% Temporary Wage Subsidy	-	(6,875)
Telephone and utilities	2,050	7,241
	168,372	758,793
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (58,869)	\$ (271,139)

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

STATEMENT OF CHANGES IN NET ASSETS

Three Months Ended March 31, 2021

	Invested in Capital Assets	Unrestricted	March 31 2021	December 31 2020
NET ASSETS AT BEGINNING OF YEAR	\$ 9,684	\$ 742,074	\$ 751,758	\$ 1,022,897
Transfers to capital asset fund	997	(997)	-	-
Excess (deficiency) of revenue over expenses for the year	(642)	(58,227)	(58,869)	(271,139)
NET ASSETS AT END OF YEAR	\$ 10,039	\$ 682,850	\$ 692,889	\$ 751,758

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

STATEMENT OF CASH FLOWS

Three Months Ended March 31, 2021

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	March 31 2021	December 31 2020
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	\$ (58,869)	\$ (271,139)
Add amortization of capital assets which does not involve cash	642	2,574
	<u>(58,227)</u>	<u>(268,565)</u>
Net changes in non-cash components of working capital		
Accounts receivable	(406)	(1,316)
Prepaid expenses	(1,810)	(2,043)
Accounts payable and accrued liabilities	85,644	23,265
Government remittances payable	10,060	(5,447)
Funds received for award program	-	(8,000)
Deferred revenue	<u>(17,324)</u>	<u>(13,926)</u>
	<u>76,164</u>	<u>(7,467)</u>
Cash flow from (used by) operating activities	<u>17,937</u>	<u>(276,032)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(997)	(3,589)
Short-term investments	300,000	(130,936)
Long-term investments	<u>(330)</u>	<u>298,669</u>
Cash flow from investing activities	<u>298,673</u>	<u>164,144</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	316,610	(111,888)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	866,920	978,808
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,183,530	\$ 866,920

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

NOTES TO FINANCIAL STATEMENTS

Three Months Ended at March 31, 2021

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

Three Months Ended at March 31, 2021

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

Three Months Ended at March 31, 2021

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. 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

Three Months Ended at March 31, 2021

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	March 31 2021 Net Book Value
Furniture and equipment	\$ 15,787	\$ 11,489	\$ 4,298
Computer equipment	19,657	13,916	5,741
	\$ 35,444	\$ 25,405	\$ 10,039

	Cost	Accumulated Amortization	December 31 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

4. 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 \$96,188.

5. 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, 2021:

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

Three Months Ended at March 31, 2021

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5. 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

Three Months Ended at March 31, 2021

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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:

	March 31 2021	December 31 2020
Cash and cash equivalents	\$ 300,000	\$ 325,687
Long-term investments	202,577	202,247
Short-term investments	-	300,000
	\$ 502,577	\$ 827,934

7. 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 three months ended March 31, 2021, the College collected \$28,521 (\$136,002 during the twelve months ended December 31, 2020) of premiums from participating members as part of their annual membership remittances and has forwarded these premiums to the insurance company.

8. 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.

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

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Three Months Ended at March 31, 2021

9. 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. 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.

SCHEDULE OF COMMITTEE EXPENSES

Three Month Ended at March 31, 2021

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	March 31 2021	December 31 2020
EXAMINATION COMMITTEE		
Testing services Honorarium Travel	\$ 7,865	\$ 77,216
Hall rental	1,100	28,675
Legal fees	-	10,422
Meals	-	9,470
Accommodation	-	8,117
Supplies	-	3,586
Parking	-	3,345
Printing	-	687
	-	373
	-	-
	\$ 8,965	\$ 141,891
COUNCIL EXPENSES		
Legal fees	\$ 3,670	\$ 17,214
Honorarium	-	11,700
Travel	-	180
Accommodation	-	50
Meals	-	15
	\$ 3,670	\$ 29,159
CONDUCT AND COMPETENCY COMMITTEE		
Legal fees	\$ 21,227	\$ 33,549
Honorarium	1,470	9,099
Acting registrar	-	945
Travel	-	743
Meals	-	155
Accommodation	-	119
	\$ 44,610	\$ 44,610

(continues)

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

SCHEDULE OF COMMITTEE EXPENSES

(Continued) Three Months Ended at
March 31, 2021

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	March 31 2021	December 31 2020
REGISTRATION AND PROGRAM REVIEW COMMITTEE		
Honorarium	\$ 5,020	\$ 7,110
Mileage	127	360
Parking	36	-
Travel	25	-
Meals	20	165
Supplies	-	144
Accommodation	-	211
	<u>\$ 5,228</u>	<u>\$ 7,990</u>
MEMBERSHIP SERVICE COMMITTEE		
Honorarium	\$ 350	\$ 1,050
Travel	-	370
Hall rental	-	210
Accommodation	-	124
Supplies	-	16
Parking	-	15
	<u>\$ 350</u>	<u>\$ 1,785</u>
AD HOC COMMITTEES		
Honorarium	\$ -	\$ 1,300
Honorarium	-	41
	<u>\$ -</u>	<u>\$ 1,341</u>

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


SCHEDULE OF COMMITTEE EXPENSES

(Continued) Three Months Ended at
March 31, 2021

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	March 31 2021	December 31 2020
BUDGET FINANCE AND AUDIT COMMITTEE		
Travel	\$ -	\$ 1,017
Honorarium	-	860
Accommodation	-	216
Meals	-	65
	<u>\$ -</u>	<u>\$ 2,158</u>

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

A photograph of acupuncture needles. A clear glass filled with water is the central focus. Several acupuncture needles are submerged in the water, with their handles protruding from the top. In the foreground, a smooth, light-brown stone sits on a white surface. A single acupuncture needle lies horizontally on the surface, extending from the left towards the right. The background is a soft, light green gradient. A blue rectangular frame is superimposed over the glass, with the text 'END SECTION' written in a bold, dark blue font across it.

END SECTION