Financial Performance

In fiscal 2016-2017, CPA Canada operations resulted in an $8.9 million excess of revenues over expenses compared to the prior year where the excess of expenses over revenues was $2.0 million. The fiscal 2016-2017 surplus was largely driven by extraordinary items noted below. Nonetheless, the surplus funds have provided for an increase in Member’s Equity that stabilizes this account and allows CPA Canada to position itself for future growth while ensuring the continued focus on driving organizational sustainability and delivering increased value to its members. 

Total revenues of $119.2 million from all sources increased by $6.3 million over the prior year. Total members’ fees increased year over year by $1.1 million primarily due to the overall growth in membership. Certification education programs revenue increased significantly compared to the prior year, from $19.1 million to $22.1 million. This was largely due to an increase in the number of candidates who wrote the common final examination (CFE) in fiscal 2016-2017. This increase is a strong indicator of the growing recognition and attractiveness of the CPA certification education programs among prospective candidates and the marketplace. In contrast, professional learning and development revenue and revenue from publications, products and services contracted by $0.2 million and $0.5 million respectively when compared to the prior year. This contraction primarily
reflected the current year suspension of the corporate finance program, which is undergoing reevaluation, and continued lower demand for technical publications. Investment income of $4.0 million was $3.8 million higher in fiscal 2016-2017, primarily from an unrealized appreciation in the fair value of index pooled funds. In fiscal 2016-2017, total CPA Magazine revenue decreased $0.9 million compared to the prior year and reflecting continued weakness in the print advertising market.

Total expenses were down $4.6 million from the prior year to $110.3 million in fiscal 2016-2017, reflecting a $4.8 million reduction in certification education programs’ expenses offset by $0.2 million in higher expenses from all other activities combined. The significant expense reduction in certification education programs on a year over year basis is due to a recovery of $3.0 million for development costs incurred in the prior year. In fiscal 2016-2017, it was agreed this would be reimbursed to CPA Canada by the provincial and regional CPA bodies; $1.3 million was received in fiscal 2016-2017 and the remaining portion is receivable in equal amounts in fiscal 2017-2018 and fiscal 2018-2019. The provincial and regional CPA bodies also agreed to reimburse CPA Canada for ACAF expenses incurred in fiscal 2016-2017, net of any surplus amounts generated by the professional education program (PEP), preparatory courses (PREP) and evaluations. On a net basis, this amounted to $0.2 million in amounts recoverable for the ACAF expenses. In addition, total direct costs in certification education programs was lower than the prior year by $1.6 million largely because of higher spending in the prior year, when legacy education programs were winding down but still operating.
In fiscal 2016-2017 CPA Canada continued its transformative journey and pursuit of excellence. We supported standard setting and thought leadership, delivered relevant, value-added programs, products and services for stakeholders, helped to grow the influence and expand the profile of the CPA profession, and continued to build a progressive and sustainable organization.