



consulting
ARCHITECTS
of ALBERTA

Annual Report 2013



Vision, Mission, and Values	1	Member Relations	12
Board of Directors	2	Strategic Plan At-a-Glance	14
Membership List	2	Liaison Reports	15
Chair's Report	3	Secretary-Treasurer's Report	17
Executive Director's Report	4	Financial Statements	18
Advocacy/External Relations	6	Annual Corporate Sponsors	21

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supplied by Jim Dobie Photography

www.consultingarchitects.ab.ca

Vision

Serving as the business voice for the consulting architectural firms in Alberta, the CAA contributes to a positive business environment benefitting our profession, clients, and society.

Mission

To advocate for the way projects are **procured** and **contracted**, and how services are **delivered**, and **valued**.

Values

Respect - for clients' needs and perspectives

Collaboration - belief that information-sharing and teamwork throughout our industry leads to stronger solutions

Value - belief in the unique and high value of architectural services

Board of Directors

Douglas Cinnamon

Keesa Hutchinson

Linus Murphy

Brad Kennedy

Ron Nemeth

Guy Pocock

Daryl Procinsky

Enzo Vicenzino

Craig Webber

Patrick Fleming

CEA Representative

Sam Oboh

RAIC Representative

Scott Pickles

AAA Representative

Executive Committee

Doug Cinnamon

Ron Nemeth

Brad Kennedy

Membership List

Charter

ACI Architects Inc.

Barbara Shipman Architecture

Cannon Design Architecture Inc.

DIALOG

GEC Architecture

Group2 Architecture Engineering

HFKS Architects Inc.

HIP Architects

HOK

IBI Group

Kasian Architecture Interior

Design and Planning Ltd.

Manasc Isaac Architects Ltd.

Marshall Tittlemore Architects

ONPA Architects

Rockliff Pierzchajlo Architects
& Planners Ltd.

S2 Architecture

Stantec Architecture

Regular

Barr Ryder Architects
& Interior Designers

Bennett Architect Inc.

BKDI Architects

Brinsmead Kennedy Architecture

Burgess Bredo Architect

Coupland Kraemer Architecture
& Interior Design

David Murray Architect

Ferrari Westwood Babits Architects

Friesen Tokar Architects

+ Landscape + Interior Designers

FUSE Architecture + Design

Hartwig Architecture Inc.

Hodgson Schilf Architects Inc.

J.B. Jamieson Architect Ltd.

JMAA Architecture

LeBlond Partnership Architects
and Planners

Manu Chugh Architect Ltd.

McKay Hlavacek Architects Ltd.

NORR Architects Planners

Omicron

Riddell Kurczaba Architecture

Engineering Interior Design Ltd.

Sturgess Architecture

The Workun Garrick Partnership

Zeidler Partnership Architects



Douglas Cinnamon

Another year has passed and the CAA continues to grow and mature. It has been both busy and trying, as you would expect with a young organization, but also rewarding.

With a new board this year we have been finding our working style and the result has brought a level of stability and a sense of purpose in our deliberations.

Some of the issues:

As promised we have been working on the revision to the Scope and Fees Document, updating to current standards and collaborating with our partners at the CEA to provide alignment within the industry. With final comments underway, we should be able to post the document this fall.

Recently, as a voice for Alberta architects in industry, we have been involved in the formation of a new initiative between the Alberta Construction Association, the Consulting Engineers of Alberta and the Government of Alberta.

This new organization, Alberta Consulting and Construction Emergency Response Team, will assist the Alberta Government to procure and deliver remedial projects in times of emergency.

As well, we have begun discussions with the AAA on an MOU between our organizations. This will help define our respective roles and ensure we are working in lock step to better the business and profession of architecture in our province and provide a clear mandate from which the CAA will operate.

We will continue to strive for a strong, prosperous, sustainable Alberta design industry, stable and predictable funding from government, fair and reasonable contracts and fees within a procurement environment that allows the full breadth of our membership (large and small firms) to be successful.

It has been a pleasure and honour to serve as Chair to such a dynamic organization over the last 20 months. Thank you to all board members who have contributed their time and expertise and a special thanks to Barbara Bruce, our Executive Director for her guidance and support. As well, please join me in welcoming Brad Kennedy as he begins his tenure as Chair of the Consulting Architects of Alberta.

Thank you,

Douglas Cinnamon, *DIALOG*

Executive Director's Report



Barbara Bruce

This past year has proven that as a united voice for our members' business interests we can truly make a difference.

In order to be effective in the long term, we need to be organized and focused. Our Advocacy Committee recognizes that we

cannot be all things to all people - the opinions of our member firms are too varied. However, we do have enough areas where we agree wholeheartedly, and this is where we have decided to focus our energies.

Earlier this year we established a series of position statements that will guide us in the coming months and years. Over time, we will add to and adjust these statements, but for now they are the platform upon which we will build. As we represent our members through industry committees and direct client meetings, we will keep these core policy statements in the forefront of our minds and watch for opportunities to influence policy decisions of our client groups.

We continue to learn from and benefit by the support of our allied organizations: AAA, RAIC, Consulting Engineers of Alberta and Alberta Construction Association. Our connection to these and other industry organizations helps us to understand where

the design and construction industry is going and how we can make Alberta stronger through collaboration. Thank you to the staff and Boards of Directors in these organizations for their invaluable support.

In addition to our advocacy work, we have continued to build the “bones” of our organization. I am pleased to say that last fall we updated our governing bylaws, and are continuing to formalize our operations with guiding policies and procedures.

Following a review of our organization's operational and governance vulnerabilities, we developed and adopted a risk management policy whose purpose is to help us avoid and/or mitigate losses from various types of unfortunate circumstances. While it is always a bit disturbing to go through the “sky is falling” scenarios, it is also empowering to put into place checks and balances that we know will keep the organization safe and secure in the future.

In order for the CAA to reach maturity as a strong organization, we need to have strong leadership. Fortunately this has not been a problem for CAA. The founding Board set the tone with their forward-thinking and determination. This year's Board has kept the bar high, and is clearly committed to the continued development of their leadership. A formalized governance work plan was adopted this past year to serve as a series of guideposts for the work done by the Board on a month-by-month basis.

Executive Director's Report

I am very grateful for the excellent working relationship I have with my Board Chair, Doug Cinnamon, and in fact, with all of our board and committee members. Since we are such a streamlined administration, it is incredibly important to respect and support one another in our shared mandate. In this I am very fortunate.

I would be remiss if I didn't also express my appreciation for my ever-cheerful and hardworking part time Executive Assistant Rusti Leahy. Although we rarely see one another face-to-face, we have developed great synergy and I appreciate her humor, adaptability and willingness to take on just about anything.

All of this would not be possible without the tremendous support of dedicated volunteers. A huge **thank you** to all the volunteer board and committee members who engage in the work of the CAA.

It is the shared can-do attitude that has characterized the CAA leadership and membership from the start. Our membership continues to support us with solid membership renewals and through the annual membership survey, a vote of confidence. There is clearly much work yet to be done, but the ongoing support of our member firms shows that we are on the right track. I look forward to more great things this coming year!

Thank you,

Barbara Bruce, CAE

For Kasian Architecture, involvement in the Consulting Architects of Alberta has been an enriching experience both at a business level and at a personal level; we have seen significant strides forward made with contracts and the RFP process with both Alberta Infrastructure and Alberta Health Services, gaining clarity and fairness in how these two government bodies procure and work with architectural firms and consultants; and at a personal level, working with the many leaders of our competitors' firms, we have been exposed to a wide variety of thoughts and approaches to problems which we would not otherwise experience. We definitely would encourage other firms to join the CAA and help grow the profession and enjoy the individual benefits that participation brings.

– Guy Pocock, *Kasian Architecture*

Advocacy/External Relations

Thank you to the following volunteers for their generous contribution of time and talents and to their firms for supporting their involvement on behalf of our profession.

Governance

Guy Pocock

Member Relations

Enzo Vicenzino

Advocacy/External Relations

Doug Cinnamon

Jan Pierzchajlo

Brad Kennedy

Craig Webber

Doug McConnell

Procurement & Contracts Committee

Peter Bull

Vivian Manasc

Christopher Filipowicz

Doug McConnell

Keesa Hutchinson

Ron Nemeth

Stewart Inglis

Jan Pierzchajlo

Karen Kost

Scope & Fees Committee

Derek Ciezki

Linus Murphy

Patrick Fleming

Daryl Procinsky

Verlin Koch

Robert Timms

Lisa Krewda

Enzo Vicenzino

Doug McConnell

Richard Walters

The opportunity the CAA offers our members

As the business voice of Alberta architects, the Consulting Architects of Alberta has the opportunity to speak as a collective voice of our firms.

We work together to build a common understanding of each other's positions, goals and concerns, within the context of current standards of practice.

We strive to shape and influence policies and procedures of major client groups and other key stakeholders through advocacy and advisory work, owner education, and collaborative problem solving.

Policy statements

Over the past year, the Advocacy Committee worked on a strategy to guide us through our advocacy agenda in a focused, proactive manner.

While we will continue to be as responsive as possible, by identifying our priority issues and declaring specific positions we have begun to reduce the "whack-a-mole" approach to issue management (dealing with issues only as they pop up). To this end, we reviewed the issues that most commonly arise in discussions with our membership.

Position statements were developed for the top issues. We focused on the following areas:

How work is:

» Procured and Contracted and;

How services are:

» Delivered and Valued

Advocacy/External Relations

In our dealings with all client groups we refer to these established positions. We also ensure that all of our volunteers are made aware of these positions so they can effectively represent the CAA in their advocacy work.

In the past year we have been actively involved in discussions at the policy level, and are beginning to see some real changes take place. There is a tremendous amount of work yet to be done, but it has been gratifying to see how an organization such as the CAA can influence outcomes.

Core advocacy committees

Our work is accomplished through both committee work and direct consultation with client stakeholder groups to identify issues of concern and advocate for best practices.

The CAA's Procurement & Contracts Committee includes representatives of several different types of member firms. The committee meets monthly to share knowledge of current business practices and issues. Together we identify areas of need and opportunities to be proactive. In our discussion of procurement and contracting processes we have been able to identify best practices and subsequently share these with client groups.

The Scope and Fees Committee is a joint committee with Consulting Engineers of Alberta. Over the past several months, significant work has gone into updating and editing the "living document" first presented by this committee two years ago.

Items addressed in the most recent update to the *Fee & Scope of Services Reference* document include:

- » Added clarity around the scope of services for engineers.
- » More information around value-added services and additional services.
- » Clarification on the P3 and CM tendering process
- » Role of engineers when acting as prime consultants
- » Clarification of BIM description
- » Tighter alignment with APEGA documents

The updated document will be ready for publication later this fall.

External activities

We continue to work closely with our many industry partners.

In the past year for example:

- » We worked with the Consulting Engineers of Alberta and the Alberta Construction Association to support each other's advocacy initiatives and agendas.
- » We continue working with the AAA leadership to be sure we understand and respect each others' mandate and work effectively together.

Advocacy/External Relations

Policy Statements

On the CAA website we have posted position statements that reflect the input provided by our member firms. So far we have taken positions on the following matters:

1. Agreement formats
2. Bundling of projects
3. Consultant evaluations
4. Debriefing process
5. Design work within proposals
6. Design competitions
7. Fees and Scope of Services
8. Honoraria
9. Industry-standard documentation
10. Insurance
11. Number of short-listed proponents
12. NWPTA
13. P3s
14. Qualifications Based Selection
15. Risk Allocation

For details on each of the position statements, supporting comments and relevant reference links, please visit:
consultingarchitects.ab.ca/position-statements

- » We have representation on the CAA board by AAA, RAIC and CEA representatives.
- » We maintain informal connections with Edmonton Construction Association, Calgary Construction Association, and the Alberta Construction Association, as well as AUMA (Alberta Urban Municipalities Association).
- » CAA representatives have brought forward our position and the architects' perspective at several cross-industry committees (see sidebar for list).
- » In the past year we met directly with many client groups including: Alberta Infrastructure, Alberta Health Services, and the University of Alberta.

Outcomes

Changing attitudes, policies and practices can be a slow, incremental process. Our outcomes are often measured in small steps and subtleties. From time-to-time, we have been able to move our targets forward significantly.

Here are a few specific outcomes worth noting:

- » **Alberta Consulting and Construction Emergency Response Team** - This exciting new initiative is in response to the Alberta Government's request for assistance in flood recovery efforts. The urgent need for major repair and rebuilding of provincial and community-owned infrastructure has placed intense strain on already over-burdened and short-

Advocacy/External Relations

staffed administration. CAA has begun working with our industry partners at the Alberta Construction Association and Consulting Engineers of Alberta on a solution. Together we are developing an innovative approach to project procurement and delivery to fast track projects that would otherwise not make it through the system in a timely manner. Through this collaboration we believe we can demonstrate how industry can be an effective, and highly valued partner to governments at all levels.

- » **Honoraria for design build projects** - CAA has long advocated for appropriate levels of honoraria for design build projects. In some cases, this project delivery method has been lacking any honoraria at all in the pursuit phases. Through our work on Alberta Infrastructure's Design Build Committee we were pleased to see the department commit to offer honoraria for all future design build projects. While we feel there is still room for growth in the level of compensation, at least the department has made a serious commitment to higher levels of remuneration.
- » **Proposal requirements adjusted by private developer** - A private developer had shortlisted some CAA member firms on a project, but the wording in the RFP suggested that the developer was looking for design work as part of the response to the proposal call, and that significant weight was being allocated on these elements. Following communication with the CAA, the developer respectfully adjusted their wording to clarify that design work was not required.

- » **Decision Matrix** - The CAA has provided significant input to Alberta Infrastructure on their approach to determining the best delivery method for any given project (a "decision matrix"). We will continue to contribute to the discussion around this important topic.
- » **Proactive owner education** - In response to an identified knowledge and training gap on the part of public owners (from changing demographics and industry flux) we have begun work on a series of webinars and online resources to be made available to public owners at all levels. This work is being done as part of our commitment to the Institutional Infrastructure Partners Committee (the Owner Education sub group).
- » **Free proposal call review service** - An initiative of our Procurement and Contracts Committee, the CAA now offers public owners (starting with municipal purchasing offices) free review of RFP, RFQ or RFEOI documents when they are planning for new building, renovations or doing a feasibility study. Our goal is to assist them in clarifying and standardizing the language within their proposal calls to architects so that the intent, and therefore the client's needs are well articulated - making it easier for consultants to respond.
- » **Infrastructure Partners Conference** - Once again we are partners in the program development and delivery of this annual conference.

Advocacy/External Relations

Industry Relations

Representatives of the CAA are actively participating on several cross-industry committees including:

Alberta Construction Association Standard Practices Committee

Alberta Infrastructure:

Construction Management Advisory Committee
Design Build Committee

Architects and Engineers Building Committees (led by CEA in Edmonton & Calgary)

CAA Representative on CEA Board of Directors

Design & Construction Trends Analysis Committee

Infrastructure Partners Conference Committee

Institutional Infrastructure Partners Committee

Owner Education working group
Project Close Out working group

OAEC Workshop Steering Committee (Owners, Architects Engineers, Contractors)

Moving forward

We will continue to advocate from the perspective of our member firms with client stakeholders - both at the administrative and political level.

- » Alberta Health Services continues to be a priority as we aim to influence their approach to procurement and contracting in response to frustration expressed by many of our member firms.
- » We anticipate meeting with clients such as Covenant Health, MacEwan University and others for discussions around best practices in procurement and agreements.
- » Ongoing representation of CAA member interests through our work on various committees.
- » Proactive owner education through the Owner Education Working Group, OAEC steering committee, and Infrastructure Partners Conference planning committee.
- » Further promotion of our proposal call review service for municipal clients.
- » Collaboration with our colleagues at ACA and CEA to identify common issues and to support one another's mandates.
- » Participation in ministerial roundtables being organized by our industry partners - sharing our industry knowledge and perspective with political representatives.

Acknowledgement of volunteer support

The work of the CAA would not be possible without the tremendous support of architects from our member firms.

Thank you to the following for representing the CAA membership on various external committees:

Rob Black	Vivian Manasc
Stephen Boyd	Doug McConnell
Peter Bull	Linus Murphy
Doug Cinnamon	Jan Pierzchajlo
Michael Cojocar	Daryl Procinzky
Chris Filipowicz	Ron Nemeth
Terry Hartwig	Jason Said
Keesa Hutchinson	Robert Timms
Stewart Inglis	Tom Tittermore
Shafraaz Kaba	Enzo Vicenzino
Karen Kost	Craig Webber

The time, knowledge, experience, and perspectives shared by committee members has been invaluable.

Thank you to all those who have been involved!

The strength of the CAA is built on the participation of representatives of our member firms. If you have not been involved, please let Barbara Bruce know of your interest. Any ideas you have to contribute are always welcome.

The strength of CAA includes a mandate and ability to represent architectural firms as business ventures in a competitive environment. Speaking with a balanced and non-partisan voice creates opportunities for more effective exchange of ideas or concerns. We talk to the recipients of our services and regulators of our profession. CAA also receives their points of view that lead to a better understanding of all stakeholders' objectives. As a relatively small-in-numbers group of professionals, our common voice is better heard thanks to the efforts of CAA. Its active, volunteer membership strives to reach a fair deal for all.

– Christopher Filipowicz, *HFKS Architects Inc.*

Member Relations

The Member Relations Committee is responsible for the customer service portfolio of the association, focusing on our member firms' needs and ensuring regular two-way communication.

Member Survey

In our goal to be a consistently member-driven organization, we look for ways to encourage input from our member firms. The results of the summer 2013 survey and Board telephone campaign tell us that we are on track with our advocacy focus, and that overall our membership is very satisfied with the work we are doing - but there is always room for improvement.

Member communication

In addition to the quarterly newsletter and the e-notices that go out as required, we rely heavily on our website to provide timely information. We continue to build content and welcome feedback and ideas from our membership as to what may be of value.

There is plenty of good work being done behind the scenes on behalf of our membership, however communicating with our member firms about our activities is an ongoing challenge.

While digital communication is preferred by most, we all fight through a tsunami of e-mail these days. In the coming year we will be looking at how we can cut through the clutter and be more effective in connecting with our membership.

Events

Given our limited resources, events are not a big part of our mandate. Instead we choose to focus on a few specific events that we hope deliver value:

- » **Roundtables** - In the coming months we will be piloting a series of roundtable luncheons. Initially targeted at firms with fewer than 10 staff, these events aim to engage our membership in casual conversation on issues of common concern.
- » **Annual General Meeting Day** - We use our AGM as an opportunity to bring in speakers to spark discussion on business topics of interest to our members. Building on last year's success we are once again offering the expanded format in 2013.
- » **Principals and Sponsors Breakfast** - part of the AGM Day, but exclusive to senior management of member firms, this event has begun to gain traction.
- » **IPC Conference** - In early October, we were once again one of the five presenting partners at the Infrastructure Partners Conference. CAA representation on the planning committee strives to enhance the quality of this event year after year.

» **OAEC Workshop** - This past year we were participants on the steering committee for this inaugural workshop whose strength was the bringing together of Owners, Architects, Engineers and Contractors for frank, small group discussions.

As we go forward we will look for additional opportunities to present information and networking sessions to our membership.

Enzo Vicenzino, *Stantec Architecture Ltd.*

Your membership benefits

Your participation in the CAA gives you the following:

- » **The strength of a common voice** - to shape and influence policies and procedures of major client groups and other key stakeholders [who in turn lead others by example] through advocacy work, owner education, collaborative problem-solving.
- » **Direct and timely input** - to issues that really matter.
- » **Opportunity to learn from other member firms** - sharing market knowledge and business experience with other firms.
- » **Exposure to thoughts and approaches** - to business problems that you would otherwise not experience.

» **Recognition** - as a firm committed to building a positive business environment for the future.

» **Ability to influence** - the direction of the annual Infrastructure Partners Conference (CAA is one of the organizing partners).

» **Member discounts** - to CAA and CEA (Consulting Engineers of Alberta) events (such as our AGM professional-development day, business mixers and media training).

» **Access to CAA-exclusive events** - such as the annual Principals and Sponsors Breakfast, and the upcoming small-firm roundtable series.

» **Listing in the CAA online searchable database** - the only searchable database of Alberta architectural firms (by firm name, location, and type of practice).

» **Perks of association** - group insurance plans for you and your staff (home & auto benefits and employee health benefits).

Strategic Plan At-a-Glance

Vision

Serving as the business voice for the consulting architectural firms in Alberta, the CAA contributes to a positive business environment benefitting our profession, clients, and society.

Mission

*To advocate for the way projects are **procured, contracted, delivered, and valued.***

Values

Respect - for clients' needs and perspectives

Collaboration - belief that information-sharing and teamwork throughout our industry leads to stronger solutions

Value - Belief in the unique and high value of architectural services

Success Factors

Active Advocacy

Financial Sustainability

Engaged Membership Base

Strong Organizational Framework

Priorities

Scope & Fees Guide	Key Messages & Position Statements	Owner Education	Non-Dues Revenue Generation	Member Recruitment & Retention	Member Communication	Member Engagement	Board & Committee Leadership Development	Staff Resourcing	Relationships with Allied Organizations
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Report from AAA Liaison

We wish to bring greetings from the Alberta Association of Architects (AAA).

We are a self-governing professional association charged with the registration of Architects and Licensed Interior Designers in Alberta.

We regulate the practice of architecture and interior design in the province of Alberta for the protection of the public and the administration of the profession.

CAA continues with their ongoing commitment and initiatives, and we commend you on the work you have done and the relationships you have been able to form with other professions, industry and levels of government. The AAA's representation as a non-voting member of your board provided our Council insight into your challenges while allowing us the opportunity to add a regulatory perspective on various topics.

We believe that Alberta architects and firms are more broadly represented with industry and that each organization can strive to meet our specific member needs and expectations.

Mark Chambers, *Architect, AAA,*
President, Alberta Association of Architects

Report from RAIC Liaison

As Canada's largest and oldest voluntary national architectural association

RAIC | Architecture Canada is delighted once again to work with the CAA in advocating for excellence in the practice of architecture in Alberta.

Despite the numerous challenges encountered in the province during the 2012 / 2013 fiscal year, especially the floods in Southern Alberta, RAIC | Architecture Canada pressed forward with our vision to build awareness and appreciation of the contribution of architecture to the physical well-being and cultural development of Canada.

Through initiatives such as the Edmonton Urban Design Awards and our 1st annual architectural photo competition, we celebrate the best that architects have to offer in Alberta. We also advocated to the Mayor of the City of Edmonton to continue to protect and preserve heritage resources such as the Rosedale Power Plant.

Working with the CAA and other partners, we continue to find ways for increasing public awareness and raising the profile of architecture in the province. For instance, come June 2015, Alberta will be hosting the Festival of Architecture and we look forward to the continued working relationship with the CAA and other industry partners in demonstrating that architecture matters.

Samuel Oboh, FRAIC
RAIC Regional Director for Alberta / Northwest Territories

Liaison Reports

On behalf of CEA, its Board of Directors and member companies, I would like to congratulate the Consulting Architects of Alberta for all their efforts this past year in advocating business interests on behalf of their member firms.

It has been an extraordinary year, with the Alberta economy strong and no one will forget the devastation experienced in Southern Alberta due to the flooding. The generous support shown by the member firms of CEA and CAA providing assistance in a time of need was truly gratifying.

We have many common interests. It is important for the economic stability of the province to maintain a strong engineering and architectural base. As a result of the

collaborative relationship between our two associations, a unique partnership model with the Government of Alberta is emerging to deliver professional services in support of the disaster remedial work that is required post flooding. Alberta has benefitted from the strength of our local presence and that knowledge is precisely what is required in dealing with the aftermath of the flooding throughout the province. It is a tremendous opportunity for industry and Government to work together serving the residences of Alberta.

At CEA we look forward to continually building our relationship with CAA. Your business advocacy on behalf of your members is much needed and we wish you the very best results from your forward thinking. Thank you.

Ken Pilip, *P. Eng.*
CEO and Registrar
Consulting Engineers of Alberta

The CAA provides the opportunity to have a direct and meaningful voice to speak to clients concerning fair and reasonable practices for fees, proposals and agreements. The unique value is that the CAA speaks to industry standard practices on behalf of all of our firms and it is great that we can have direct and timely input into issues that really matter to us.

– Douglas McConnell, *DIALOG*



Ron Nemeth

Preparation of the 2013 annual report marks the culmination of four years of operations and of my first year in the role of Secretary-Treasurer.

Working closely with our Executive Director, I am pleased to submit the following financial report that reflects a slightly-better than break even year-end financial position, and to report that the CAA responsibly continues its mission of advocacy on behalf of consulting architects.

Membership levels remain stable. While consolidation in our industry is reflected in a slight decrease in the number of member firms, this loss of revenue is partly offset by the continued support of the now-larger resulting firms. Information and recruitment events occur periodically throughout the year and generate new memberships. An outreach campaign to member firms over the summer months was aimed at gathering feedback on the priorities of consulting architects to ensure that our efforts reflect members' business concerns.

The lion's share of our non-dues revenue comes to the CAA through the ongoing commitment of our corporate sponsors.

Based on their feedback, a robust recognition program and appreciation events are tweaked throughout the year to ensure that value to sponsors is maximized. For 2013-14 we'll dedicate greater efforts to expanding this revenue stream.

Our expenditures are closely monitored for 'return-on-investment' with regard to member benefits achievable in the form of educational programs and representation at industry events. All board and committee participants contribute time voluntarily to advance member-driven issues. Initiatives, results and success stories are published on the CAA website for the benefit of member and non-member firms alike. In spite of such controls on expenditures, relevance through sustained growth can only be achieved through increased revenues. Creative approaches to recruitment of new members and sponsors are being explored; expanded volunteer commitments and expertise from all areas of business practice are welcomed.

The footing upon which the CAA has grown since inception was laid by founding charter members whose commitment remains ongoing after four years of operations. The continuity and focus of our Executive Director along with the voluntary contribution of board and committee members from a variety of practice areas position the CAA for sustained growth and relevance alongside our industry partners.

Ron Nemeth, *ACI Architects Inc.*

Financial Statements



Review Engagement Report

To the Members of Consulting Architects of Alberta

We have reviewed the statement of financial position of Consulting Architects of Alberta as at July 31, 2013 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta
October 9, 2013

CHARTERED ACCOUNTANTS

Financial Statements

STATEMENT OF FINANCIAL POSITION

JULY 31, 2013 (Unaudited)

	2013	2012
Assets		
Current		
Cash	\$ 38,431	\$ 61,708
Term deposits	30,670	30,000
Accounts receivable	34,814	12,993
	\$ 103,915	\$ 104,701
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 17,371	\$ 16,616
Goods and services tax payable	7,074	6,657
Deferred revenue	31,415	35,193
	55,860	58,466
Net assets		
General fund	48,055	46,235
	\$ 103,915	\$ 104,701

STATEMENT OF REVENUES AND EXPENDITURES

JULY 31, 2013 (Unaudited)

	2013	2012
Revenues		
Membership dues - Regular	\$ 114,375	\$ 95,062
Sponsorship revenue	55,548	30,232
Program fees	3,998	5,234
Operating revenue from other sources	1,994	250
Membership dues - Charter	-	32,633
Interest income	670	-
	176,585	163,411
Expenses		
General and administration	146,504	141,046
Governance	13,570	7,222
Member relations	8,695	7,390
Communications	4,046	1,771
External relations	1,949	958
Bad debts	-	1,697
	174,764	160,084
Excess of revenue over expenses for the year	\$ 1,821	\$ 3,327

STATEMENT OF CHANGES IN NET ASSETS

JULY 31, 2013 (Unaudited)

	2013	2012
Net assets - beginning of year	\$ 46,235	\$ 42,908
Excess of revenues over expenses	1,821	3,327
Net assets - end of year	\$ 48,056	\$ 46,235

Financial Statements

STATEMENT OF CASH FLOWS

JULY 31, 2013 (Unaudited)

2013

2012

	2013	2012
Operating activities		
Excess of revenues over expenses	\$ 1,821	\$ 3,327
Changes in non-cash working capital:		
Accounts receivable	(21,821)	(10,420)
Prepaid expenses	-	673
Accounts payable and accrued liabilities	754	1,151
Goods and services tax payable	417	1,057
Deferred revenue	(3,778)	(2,660)
	(24,428)	(10,199)
Decrease in cash flow	(22,607)	(6,872)
Cash - beginning of year	91,708	98,580
Cash - end of year	\$ 69,101	\$ 91,708
Cash consists of:		
Cash	\$ 38,431	\$ 61,708
Term deposits	30,670	30,000
	\$ 69,101	\$ 91,708

NOTES TO FINANCIAL STATEMENTS

1. Description and purpose of the organization

Consulting Architects of Alberta ("the Society") was formed in 2009 as a not-for-profit organization. As a not-for-profit organization under the Income Tax Act, the organization is not subject to income taxes. The mission of the Society is to strengthen the practice of the consulting architectural firms in Alberta by serving as the business voice for its member firms.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful

judgment. The significant areas requiring management estimates include the allowance for doubtful accounts. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized as follows:

Cash

Cash consists of demand deposits with a financial institution.

Contributed services

Volunteers contribute large numbers of hours every year to assist the Society in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Contributions are recognized as revenue in the year in which they are received or receivable. Membership fees related to future periods are deferred until that period has passed.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. Term deposits

Term deposits have a maturity date of September 2013 and bear interest at 0.8% per annum.

4. Financial instruments

Financial instruments are defined as contractual rights to receive or deliver cash or another financial asset. The Society's financial instruments consist of recorded amounts of cash, term deposits, accounts receivable, accounts payable and accrued liabilities.

The Society 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 Society's risk exposure and concentration as of July 31, 2013.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts. The Society is exposed to a concentration of credit risk to the extent that amounts due to the Society from two customers comprised 71% (2012 - four customers comprised 89%) of accounts receivable at yearend.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate 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 Society manages exposure through its normal operating activities. The Society is exposed to interest rate risk primarily through its fixed rate term deposits.

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