



2015

ANNUAL REPORT



**The Alberta
Association of
Architects**

Architects and Licensed Interior Designers



VISION

To regulate and advance the professions of architecture and interior design in Alberta.

MISSION

The AAA is a community of architects and licensed interior designers that represent the public interest in the administration of the Alberta *Architects Act*.

MANDATE

The association fulfills its mission by regulating, advising, promoting and supporting our professions.

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► About the AAA

The Alberta Association of Architects (AAA) is a self-governing professional body charged under the *Architects Act*, R.S.A. 2000, c. A-44 and General Regulation with the registration, licensure and practice of registered architects and licensed interior designers (LIDs) for the protection of the public in the province of Alberta.

► Strategic Plan

In 2015, AAA Council established a strategic plan for the association that highlighted the priorities and goals to be carried out from 2015 through 2017. This plan was put into effect in September 2015.

Goal	12 Month Strategic Imperative
To strive towards organization excellence	1. Legislation Review
	2. Admin Support
	3. Council Development Strategy
To strengthen the professions	4. Member growth/sustainability of the professions
	5. Define our advocacy role
	6. Engage with allied organizations
To enhance member engagement	7. Enhance member support
	8. Enhance member communications
	9. Enhance succession planning
To foster a wider understanding of the role and value of the professions in Alberta	10. Educate authorities re: scope of practice



The Alberta Association of Architects

Architects and Licensed Interior Designers

Induction C.E.R.E.M.O.N.Y

February 25, 2016

Arts Commons
205 - 8th Avenue, SE
Calgary, Alberta



To do:
Attend more awesome
AAA Events!

SPRING Professional Development MORNING



2015 AAA
Holiday Socials



FESTIVAL OF ARCHITECTURE (RĒ)GĒNERATION + INTĒGRATION
CALGARY 2015



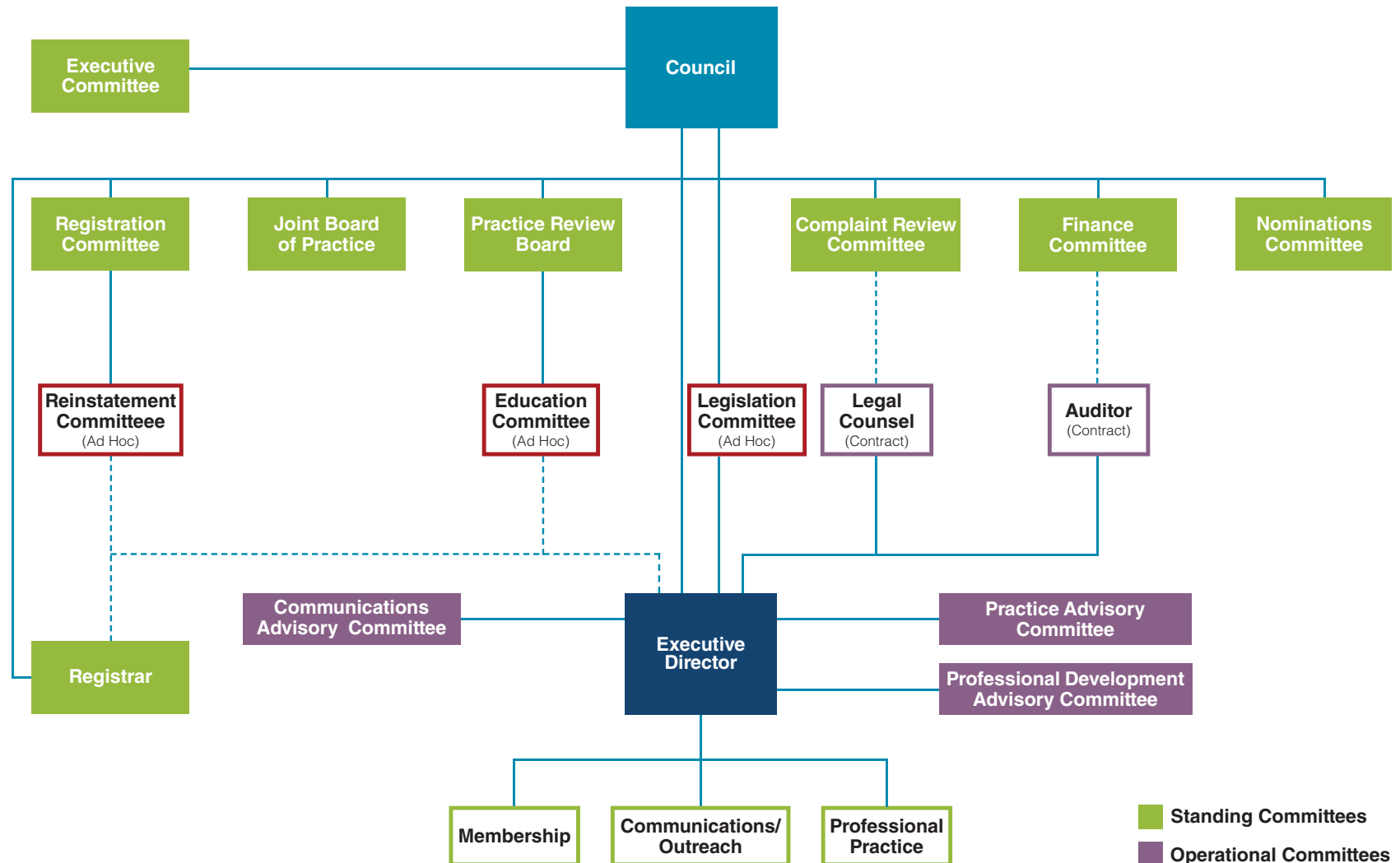
Tek·ni·kəl
2015 • October Professional Development Day



Annual Rep

Organization Design

AAA's 2015 Committees



▶ AAA Administration

Executive Director

Barbara Bruce

Communications Sr. Manager

Jenine Cerny

Communications Consultant

Wendy Cooper

Director of Practice

Barry Johns, Architect, AAA

Registration Administrator

Nishika Kalupahana

Executive Assistant

Sheila Nitti

Communications & Graphics Coordinator

Heather Pack

Professional Development Coordinator

Kathy Saunderson

Office Assistant

Penny Stiles

Intern Administrator

Yasmin Tejpar

Accountant

Helen Wong

▶ Life Members

J. B. "Jock" Bell
Peter Burgener
Howard Bouey
Robery Bouey
Allan Burrows
Norman Croll
George Gerencser
Barry Graham

Amir Hemani
Ken Hutchinson
Norbert Lerner
Conrad Loban
Rudy Mangold
William Milne
David Monsen
John Murray

Joseph Naito
C. Ben Pond
Blake Pratt
George Robins
John Rockliff
Harold Saxby
Casey Skakun
Walter Spotowski

Nicholas Stroich
Julie Tarjan
Dale Taylor
Jan Tereszczenko
L. Frederick Valentine
Ronald Waterfield
Morley Workun
Artur Zajdler

▶ Honorary Members

Mac Bourassa
Kenneth Cantor
Fred Colborne

James Dow
Justice Robert A. Graesser
Denis Herard

Peter Odinga
William Perks
Michael Ross

Gerald Tersmette

▶ AAA Council

Back row: Peter Osborne, Coben Christiansen, David Monteyne

Third row: Kurtis Nishiyama, Elizabeth Songer, Keesa Hutchinson

Second row: C. Niki Patterson, Donald Davidson, Patti Swanson

Front row: Robert Spaetgens, John Harrop, Jane Lason, Barbara Bruce, Darryl Rewniak, Naji Akbar

Missing: Walker McKinley, Helen Evans Warren



► Past Presidents of the AAA



1906-07	F. Deggendorfer
1908	James Wize
1909	R. Percy Barnes
1910	E. C. Hopkins
1911-12	George MacDonald Lang
1913	Roland W. Lines
1914	James Henderson
1915	J. J. O'Gara
1916-1920	Richard P. Blakey
1921	Alfred M. Calderon
1922-23	Cecil S. Burgess
1924-25	William George Blakey
1926-27	James McIntyre Stevenson
1928-29	Edward Underwood
1930-31	Geroge Heath MacDonald
1932-34	Robert McDowal Symonds
1935-38	Richard P. Blakey
1938-44	John Martland
1945-47	Maxwell Cameron Dewar
1948-49	Gordon Kenneth Wynn
1950-51	T. Gordon Aberdeen

1952-53	George Willington Lord
1953-55	Kelvin Crawford Stanley
1956-57	Howard L. Bouey
1958-59	James Brock Bell
1960	Gordon M. McAdam
1961	Thomas A. Groves
1962	John A. Cawston
1963	D. Gordon Forbes
1964	Hugh W. Seton
1965	Robert I. Bouey
1966-67	Kenneth L. Bond
1968	Donald L. Sinclair
1969	Edwin Raines
1970	John McIntosh
1971	Bernard Wood
1972	G. Douglas Menzies
1973	Hugh W. R. McMillan
1974	Freda M. O'Connor
1975	Michael E. Evamy
1976	Joe Naito
1977	Gilbert R. Beatson
1978	Jack B. Jamieson
1979	Morley K. Workun
1980	Norman H. Croll
1981	Barry W. Graham
1982	Peter G. Hemingway
1983	Ken H. Hutchison
1984	Gerald L. Forseth
1985	A. Michael Holland
1986	Brian E. Eldred
1987	Dale M. Taylor
1988	John Rockliff
1989-90	Paul Hugh Polsen
1991-92	Elizabeth M. Dechert
1993	Doug D. Craig

1994	Gordon B. Thorkelsson
1995	Peter G. Burgener
1996	Fraser C. Brinsmead
1997	Richard R. Lindseth
1998	Douglas L. Sollows
1999	Brian C. Oakley
2000	Lynn L. Webster
2001	Barbara L. Shipman
2002	Leonard O. Rodrigues
2003	David A. Down
2004	Jane Pendergast
2005	Arthur J. Ferrari
2006	Doug J. Campbell
2007	Katherine Wagner
2008	Daryl Procinsky
2009	Craig Webber
2010	Doug Ramsey
2011	Scott Pickles
2012	Peter Streith
2013	Mark Chambers
2014	Donald Wm. A. Davidson

► President's Report



**Peter Osborne, Architect, AAA
President**

As my term comes to an end it has been my honour to serve our professions and better understand the association's important role as the provincial regulator. I would like to acknowledge all the members of Council that I have had the pleasure of serving with. Their time, expertise and enthusiasm was greatly valued and appreciated. I would also like to acknowledge our many member volunteers. It is only with a dedicated and active membership that we can continue to maintain the privilege of self-regulation.

Council established several goals at Think Tank 2015 that embodied our new three-year strategic plan. With a focus on regulating, supporting and advancing the professions of architecture and interior design, we worked to meet these goals in four crucial areas; organizational excellence, strengthening the profession, enhancing member engagement and foster a wider understanding of the role and value of the professions in Alberta.

I want to thank AAA administration on behalf of Council and our membership for their work over the past year towards organizational excellence. We applaud our executive director Barbara Bruce for increasing the effectiveness of our operations. Effective operations allow the association to provide on going support to our members.

Council has worked diligently with administration to establish terms of reference and refine existing policies. This helps to provide clear, consistent feedback in the administration of the Act, Regulation and Bylaws and streamlines interactions with our membership. This empowers our volunteers to be more effective and best utilize their time and expertise. Kurtis Nishiyama, our Intern Architect representative on Council championed updating our leave policy to include interns. This will help support the next generation of architects and interior designers achieve their goals of registration and licensure. Also, we are in the process of updating the branch policy to better reflect the realities of current modes of practice.

Thanks to Patti Swanson's leadership as Vice President and Legislation Committee Chair we have continued to work with government to enact changes to the Architects Act as mandated and voted on by the membership. Council made an important decision to support mandatory professional liability insurance. This decision was made in consultation with our task force, industry partners and the membership. It was not easy or without debate. I am grateful for the efforts of the task force and the passion they brought to the discussions. Professional liability insurance is a cornerstone to the changes proposed to the Architects Act and our profession's responsibility for the safety of the public.

We continue to look for opportunities to support our members and this year saw the return of the Director of Practice to AAA Administration. It has been my pleasure to work with Barry Johns, Director of Practice and the entire Practice Advisory Committee. Their work in the trenches every day reinforces our position as the regulatory authority on the practice of architecture and interior design in Alberta. Through progressive practice bulletins and proactive discussions with clients and stakeholders we are working to make the association more relevant to the day-to-day practice of our membership.

The AAA strives to be forward thinking in our administration of the Architects Act and collaborative in our approach to enhancing our membership. We have long provided protected scope to and regulated the practice of interior design. Over the past two years, I have co-chaired an interior design task force with Jane Lawson. We have worked with a dedicated group of interior designers to find ways to strengthen and support the practice of interior design in Alberta. We have consulted with the Interior Designers of Alberta (IDA) and the Interior Designers of Canada (IDC) to find solutions

that would allow our interior design members to enjoy the same national presence, access to resources and ability to shape their profession that our architect members enjoy. Clarity for our clients and authorities having jurisdiction will ensure the public's interests are served and that public safety is not compromised. The goal must be to have the AAA be recognized nationally as the association that represents Alberta architects and interior designers.

I encourage Council and administration to continue to find new and exciting ways to bring relevancy to the day-to-day practice of our members. The association has a critical role in the regulation of the professions of architecture and interior design which must be coupled with practice support. Practice support is embedded in the Architects Act and cannot be overlooked. I will leave you with one last challenge to become involved and active in the business of the association. Our association relies on the support and strength of its members. It is through your contributions we will shape the future of our professions.

► Vice President's Report



**Patti Swanson, Architect, AAA
Vice President**

Council has had a busy year working towards our core mandates as well as streamlining policies within Duggan House. Additionally, we continue to focus on updating our Architects Act and General Regulation and have had numerous lengthy discussions on how best to remain forward thinking while continuing to keep the public good as our prime motivator. In addition, my role as Vice President has included the following activities:

- Consulting Architects of Alberta (CAA) Board Member - As VP, I sit on the CAA board in a non-voting capacity. It has been a very educational process, learning and participating in the issues the CAA faces. Having both the AAA and the CAA at the same table helps to insure all our members are represented when dealing with the issues of advocacy and the advancement of our profession.
- AAA Executive Committee - This committee's mandate is to deal with issues that arise between Council meetings in addition to internal issues facing Duggan House. We work with our Executive Director, Barbara Bruce, providing counsel and support.
- American Society of Association Executives (ASAE) Symposium - Peter Osbourne, Barbara Bruce and I attended a symposium for "Chief Elected and Chief Executive Officers". This intense two-day conference focused on how to run a successful board and work effectively as a team. We came away with some great insight and tools on how Council can effectively work to better represent our membership and our profession.

In conclusion, I would like say how honored I am to have been chosen by my fellow Council members to act as AAA President in the 2016/2017 term. I look forward to the year ahead with enthusiasm as we work together to represent our members to the best of our ability. I would also like to thank the hard working administrative team at Duggan House for their ongoing support and commitment to the Alberta Association of Architects.

► National Initiatives

The AAA actively engages with the regulators in Canada and the Canadian Architectural Licensing Authorities (CALA) on several initiatives. The AAA President and Executive Director attend CALA meetings at least twice per year. Depending on the topics at hand, the Registrar sometimes also attends. In 2015 there were CALA meetings held in Victoria, Calgary and Saskatoon. Early in 2016 the Executive Directors from each CALA jurisdiction met to share information in an intensive one-day workshop hosted by the Ontario Association of Architects. This was important from a knowledge-transfer perspective as there have been a number of changes in administrative leadership across Canada in the past few years.

Operating as an informal organization, CALA members work collectively to develop and adopt nationally recognized standards and programs that help to meet their regulatory responsibilities as well as the needs of the architectural profession. In 2015 a bilingual CALA website was launched (www.cala-roac.ca). The administration of CALA is currently shared by each of the eleven regulatory authorities, however discussions are taking place around the growing need for more formalized administrative support.

There are currently four committees within CALA:

Committee of the Examination for Architects in Canada (CExAC)

The 2015 sitting of the Examination for Architects in Canada (ExAC) had more interns writing than last year. The clean pass rate remains stable since the exam's inception in 2008, and consistent detailed review of results ensures the exam remains a reliable means for testing Canadian architectural interns.

As part of ongoing efforts to improve the administration of the exam, CExAC continues to refine the objectives to ensure it is current and most thoroughly reflects the internship program. Improvements continue to be made to the website and to streamlining the online registration process. The chairperson for the CExAC is Don Sterritt. The exam for 2016 will be in early November, and registration will again open the first week of June 2015.

The CExAC wishes to thank those who volunteered their time to make this year's sitting of the exam such a success. Without the support of established members of our profession, the exam would not be possible. The CExAC is always looking for volunteers to become involved in question writing in the early spring, question vetting in the fall and marking in December. Participation from Alberta is always greatly appreciated.

Canadian Architectural Certification Board (CACB) Standing Committee

This is an ongoing committee that is currently working with both the Canadian Schools of Architecture (CCUSA) and the board of CACB to complete the review of the validation conference held in September 2014. There were two rounds of discussion with the regulators on the conditions and procedures for accreditation and the committee is drafting up a revised set of documents for review by the regulators this spring. This work will include a review of the student performance criteria and the proposed changes that were discussed with the regulators.

The Broadly Experienced Foreign Architect (BEFA) program has been operational for two years with approximately 234 applicants with 29 applicants being licensed in various jurisdictions across Canada. At the start of the program we had committed to undertaking a review of the program which will be started later this year. We have applied to the federal government for assistance with the financial aspect of the work.

The CACB and the standing committee are working together on the development of a revised funding model for the operation of the CACB together with a review of the current bylaws.

Internship in Architecture Program (IAP) Task Force

At the June CALA meetings in Calgary it was agreed the IAP Task Force would be put in abeyance for the time being. The work they have been undertaking had largely been accomplished, however CALA felt they would prefer not to disband this task force as there could be a need for further consultation in the future. So the committee stands at the ready.

One of the projects the IAP Task Force had been working on was an updated version of the Supervisor and Mentor Guidelines booklet. The IAP relies heavily on the participation of supervising architects and mentors. Their support and guidance is integral to the success of the interns. Although it had been a goal to establish a national set of guidelines, the disparate nature of each province's legislation made this impossible. Nevertheless, the work done by the national committee provided a starting point for each regulator to use for their own updates. This spring, AAA Council reviewed and approved an update to the guidelines booklet that is to be distributed very shortly.

Locally, the AAA held intern information sessions in Edmonton and Calgary in early 2016 to provide an opportunity for interns to gain an overview of the program and to ask questions of the Intern Representative on Council as well as the Chair of the Registration Committee. There are currently 359 Intern Architects enrolled in the IAP program, as well as 37 Intern Interior Designers working towards their professional designations in Alberta.

International Relations Committee (IRC)

In the past year the IRC has continued forward on its international files:

On the Canada /United States Mutual Recognition Agreement (MRA), 41 states are now signatory to the agreement. The National Council of Architectural Registration Boards (NCARB) is working with lawyers to remove the remaining legal impediments for several states.

The Ontario Association of Architects received an application for licensure under the Tri-National MRA (Canada/US/Mexico) from a New York architect who had met all the prescribed requirements. The interview was held in early April.

Negotiations are ongoing with the Architects' Council of Europe (ACE). The IRC hosted a workshop with representatives of the Canadian Architectural Licensing Authorities (CALA) in November to brief them on meetings in Brussels and seek agreement to proceed with an MRA that would include a domain-specific online interview and test for European Union applicants. IRC members met with Global Affairs Canada to discuss the proposed MRA.

Under the Asia-Pacific Economic Cooperation (APEC) Architect project the IRC is pursuing exploratory discussions with Japan, Korea and China. Under the Canada/Australia/New Zealand MRA one applicant has been interviewed and recommended for licensure. The IRC will be attending the APEC Council meeting in Malaysia in October.

► Registrar's Report



**Robert D. Bennett, Architect, AAA
Registrar**

I am pleased to report the continuing growth of the AAA membership during 2015, although it has been somewhat less pronounced than in the recent past. The AAA experienced a modest increase of 3% in the number of registered architects to 1134 and has maintained the same number of licensed interior designers of 70 at year end. In contrast, we experienced an increase of 4.7% in the number of intern architects and 2.5% of intern interior designers.

The membership in those categories, numbering 374 and 41 respectively, are still substantial compared to the number of registered and licensed practitioners. In a reflection of the demographic changes occurring in the working public at large, the number of retired members has increased 11%, now standing at 70 at year end. When all categories of memberships are considered, the AAA has grown by approximately 4.7% to 1821 during 2015.

The detailed figures for newly registered members in Alberta during 2015 are as follows:

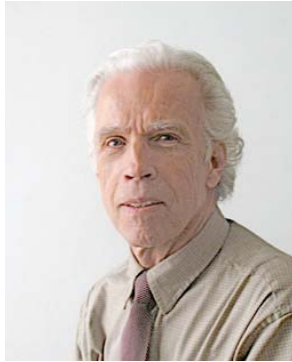
- 44 through completion of internship (first registration)
- 71 through reciprocity (Canadian Professionals)
- 7 through inter-recognition (US Professionals)
- 2 through the Broadly Experienced Foreign Architect Program
- 2 through reinstatement (previously registered with AAA)

In an increased effort to maintain both uniformity and compliance with the Architects Act and General Regulation, we continue to review and approve new practices and make revisions to existing practices. Our records at year end reflected a total of 621 firms and corporations, of which 256 (41.3%) are located outside Alberta.

We continue in efforts to standardize and simplify the registration process for architects and licensed interior designers and their practices. In conjunction with the ongoing Legislation Review, some small but useful changes governing the process of registering firms and corporations have been proposed, holding the promise of reduced complexity.

As Registrar, I have confidence in the thorough procedures and record keeping which attends the registration of registered architects, licensed interior designers, and practices at the AAA. I express my gratitude to the staff at Duggan House who continue to be on top of the considerable administrative challenges posed by the registration process and who contribute purposefully to the regulation of the practice of architecture and interior design within our mandate to protect the Alberta public.

► Registration Committee Report



**David Murray, Architect, AAA
Chair, Registration Committee**

The mandate of the AAA Registration Committee is to complete a detailed screening and interview of applicants to the professions of architecture and interior design in the process of registration and licensure. In addition, the committee reviews all the intern architect and intern interior designer log books, ably assisted by the staff at Duggan House.

The Internship in Architecture Program (IAP) has been established by the Canadian Architectural Licensing Authorities (CALA). The objectives of the IAP are:

- To define and document areas of architectural practice in which professional knowledge and skills must be gained in a structured, supervised and mentored environment;
- To provide a uniform system for documentation and periodic assessment of internship activities;
- To provide feedback and guidance to the intern;
- To involve the members of the profession in the development and training of future members.

At the end of 2015 there were 354 intern architects and 34 intern licensed interior designers registered in the AAA. An intern architect is required to write the *Examination for Architects in Canada* (ExAC) in order to qualify for registration.

The ExAC can be taken after an intern has completed 2800 logged experience hours. In 2015, 78 intern architects wrote the ExAC. There were 61 candidates who passed all four sections of the exam.

Interns who have completed their minimum 3720 hours and the conditions outlined in the IAP manual, as well as having passed the ExAC, can submit an application for registration. When an application has been accepted, all interns are required to participate in an interview by senior members of the Registration Committee. The purpose of the interview is to simply review the intern's experience and confirm the applicant's readiness for practice. There have been a few cases where the applicant has been deferred because of some minor knowledge deficiency where a little more time as an intern will assist them to be ready for practice. Interviews for intern architects are held in Edmonton and Calgary. Interviews for intern licensed interior designers are held only in Edmonton at this time.

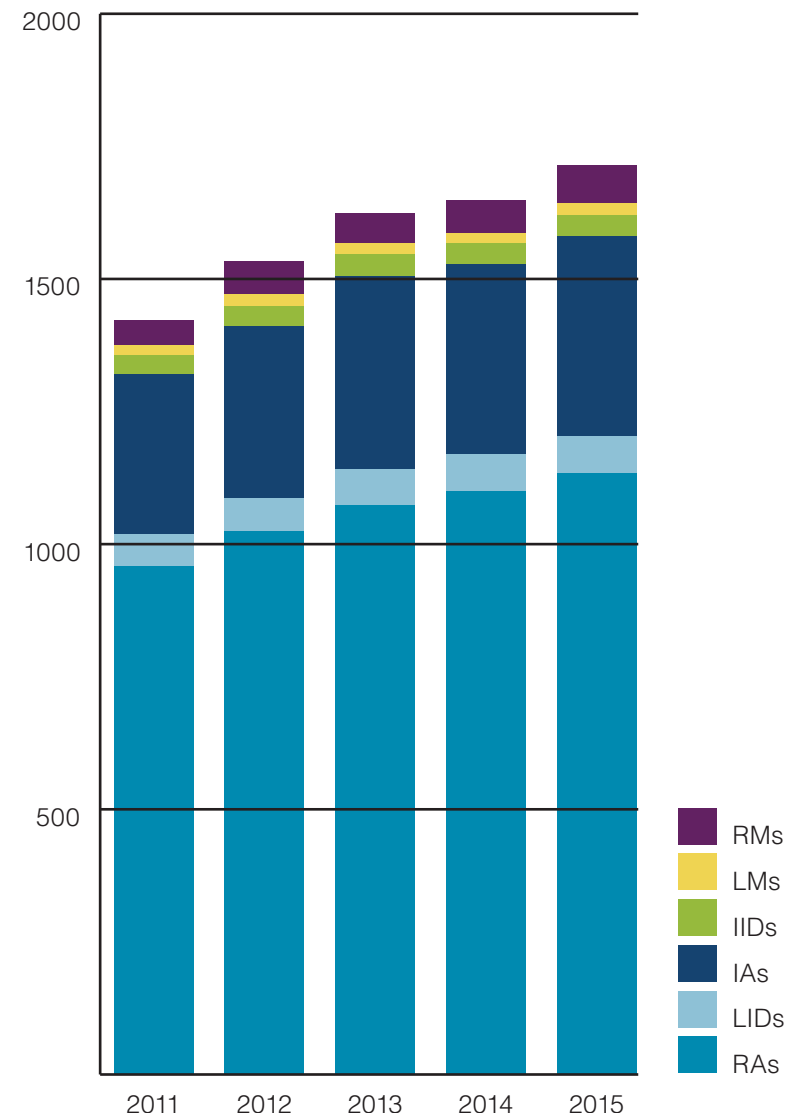
I remain confident that we have developed a thorough and fair system of due diligence and that our ability to respond to our interns and to unique situations has evolved to be efficient and equitable. I thank the committee and the staff at Duggan House for their impressive efforts. Thanks also to our Registrar, Robert Bennett, who continues to assist the committee, and to our vice chair, Councillor Keesa Hutchinson, who connects the committee directly to Council.

The Committee welcomes Henry Howard as the new Chair as of January 2016!

► Membership

AAA membership as of December 31, 2015.

	2011	2012	2013	2014	2015
Registered Architects (RAs)	958	1024	1074	1100	1134
Licensed Interior Designers (LIDs)	61	63	66	70	70
Intern Architects (IAs)	301	323	364	357	374
Intern Interior Designers (IIDs)	36	39	43	40	41
Life Members (LMs)	20	22	19	19	25
Retired Members (RMs)	47	63	57	63	70
Restricted Practitioners	5	5	5	4	4
Associate Members	37	14	12	7	9
Student Members	46	57	58	64	79
Syllabus Students	8	7	4	2	0
Affiliate Members	6	6	6	6	6
Honorary Members	9	9	9	9	10
Total	1534	1632	1717	1741	1822



► Legislation Committee Report



**Patti Swanson, Architect, AAA
Chair, Legislation Committee**

The AAA Legislation Committee has been active since 2012 working in conjunction with the Government of Alberta (GOA) to update the Architects Act and General Regulation. Numerous task forces were established to review the various components of the Act that needed to be revisited. After our membership voted on the 13 guiding principles in the spring of 2014, the committee has been developing these principles into a concrete framework to present to the government.

This past year has been spent identifying issues and preparing specific questions that have gone back to the task forces for consideration/clarification to ensure our proposal to the GOA meets the intent of the guiding principles. In addition to a more in-depth look at the specifics of the Act, we have been meeting with special interest groups affected by any proposed changes to our Act. These groups include:

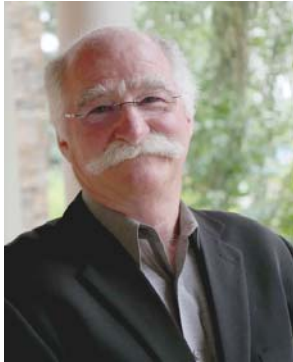
- Association of Professional Engineers and Geoscientists of Alberta (APEGA)
We have been meeting with APEGA to address issues of the Joint Board and proposed changes to the exclusions in the Alberta Building Code and both of our Acts. The meetings have been productive and we are working toward changes that will benefit both associations and ensure clarity and protection of the public.
- The Association of Science and Engineering Technology Professionals of Alberta (ASET)
Discussions have begun on the possibility of the AAA creating categories of memberships within our Regulation to include architectural technologists. The meetings have been positive and we are confident that we can move forward on this issue.

Additionally, a great deal of work has gone into investigating a model for the requirement of professional liability insurance as voted on by our members. After many meetings and discussions Council approved the mandatory model for implementation under our new Act. The mandatory model means that all practice entities will be required to obtain insurance through commercial providers and provide proof of coverage to the AAA. Council believed this model best reflected our core mandate and will be a more acceptable option for our members.

We are working closely with the Professional Governance Branch of the GOA, reviewing the specifics of our draft three column document. Bi-weekly meetings are planned and will continue until all items are resolved. While we had hoped to go before the Legislative Assembly in the spring of 2017, that now appears unlikely and no new date has been given. Still, the work continues and our goal is to have everything determined for when the government is ready to review our Act.

In closing, I wish to acknowledge the hard work being completed by our task forces. Their commitment to our profession and willingness to devote countless volunteer hours to this initiative is humbling. I would also like to thank the Duggan House administration and consultants who continue to keep this project moving forward.

► Practice Advisory Committee Report



Barry Johns, Architect, AAA
Director of Practice

Randy Krebs, Architect, AAA
Practice Advisory Committee

Len Rodrigues, Architect, AAA
Practice Advisory Committee

Chris Kourouniotis,
Licensed Interior Designer, AAA
Practice Advisory Committee

In 2015, Council reinstated the Director of Practice as a part time position, supported by a continuation of the previously appointed Practice Advisory Committee (PAC). Together, this administrative support team, consisting of three architects and one interior designer operates under the oversight of the Executive Director. The team advises on professional practice related inquiries received by the AAA from its membership, clients, building authorities and the general public.

The increased activity and awareness of PAC by the membership has resulted in a significant spike in services to all areas of professional practice. Since July 2015, more than 110 individual inquiry files have been opened and a total of 31 subject matter files have been opened. Within the subject matter files, the work yielded new practice bulletins, practice advisories, cease and desist letters and a variety of other initiatives with client groups, municipalities, government and our members.

The primary workload since July 2015 can be grouped under the following categories:

- Contract issues and the increase of onerous client - written agreements that increase the duty of care to, at times, uninsurable standards;
- General practice management issues related to contracts and document management, copyright, moral rights, contract administration, communications and marketing;
- Assessments of either discovered or reported unauthorised practice or mis-representation;
- Assessments of compliance with the rules for design competitions and the provision of design services without compensation for Letters of Interest, RFP's and (unsanctioned) design competitions leading to successful negotiations with many client groups;
- Assessment of the need for professional involvement on projects – notably in the housing and industrial sectors;
- The Use of Seal and Schedules of Professional Involvement.

Under the categories mentioned above, the PAC team has highlighted the following significant improvements or achievements over the past fiscal year:

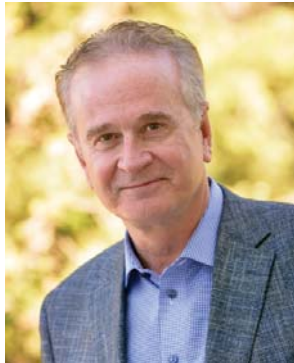
- Practice Advisory General Contract Review (risk management in professional practice).
- A new RAIC - based standard form of agreement for licensed interior designers.
- New practice bulletins, specifically around the scope of practice for architects and licensed interior designers and clarity around the need for professional involvement.
- Working with authorities having jurisdiction across the province to encourage policy amendments with its goal to ensure professional involvement is deployed when necessary for development permit applications.
- A formal cease and desist and follow up process.

To elaborate on two of these topics:

1. A complex issue surfaced regarding onerous and at times uninsurable contracts from government, municipalities and even large scale private corporations that increase the duty of care and potential liability exposure to members. This yielded a significant practice advisory to alert members to the kinds of clauses around which due diligence must be carefully exercised, including obtaining legal advice and contract revisions prior to agreeing to any such contract form. No other regulator has done this to our knowledge. It is hoped that the membership and other provincial regulators can take this data and use it to assist their members in improving their own contracts and to be mindful of where the danger zones exist, from copyright to insurance to a reasonable duty of care.
2. Cease and desist letters regarding unauthorised practice are definitely yielding positive outcomes. Our letters are much more forceful and we normally follow up in 30 day cycles, to ensure that these letters are not being ignored, under the spectre of potential legal action. To date, approximately 16 letters have been issued (and an equal number are under investigation) and thus far, no legal action has been required.

Finally, AAA / PAC completed its work with the City of Edmonton to develop a non-sanctioned design competition that members can still engage - for infill housing; to enable the profession to demonstrate its ability to prove how a better quality of higher density housing is possible in improving built form in our communities.

► Complaint Review Committee Report



**Robert Spaetgens, Architect, AAA
Chair,
Complaint Review Committee**

The complaint review process for the last year was not as active as previous years... and that's good news! The number of complaints filed was nearly half as many as the previous year. Over the past year (2015) we've investigated three files that were dismissed or were satisfactorily dealt with. As of April 18, 2016, there are two cases that are being reviewed for investigation. After these files are investigated they will be assessed to determine if it's in the public interest to proceed to hearings. We entered 2016 with three cases carried over from previous years. The files are still open waiting for follow-up of imposed disciplinary actions and conditions, payment of fines and a file that is still in the process of being appealed.

Once again, a thank you goes to our legal counsel, Paula Hale from Shores Jardine LLP, who has been very helpful and insightful into the legal compliance and nuances of practice which are governed by the Architects Act, the General Regulation and the Code of Ethics. I would also like to give thanks to our complaint review volunteer membership, and particularly to those who served on the various hearings and investigations, and to those who are always willing and ready to help out.

The complaint review process is confidential, which prohibits us from commenting on the specifics of any case. It does not, however, prevent us from offering observations of apparent trends and recurrences in types of complaints or cases.

- One of the big issues that keep our Duggan House staff and Registrar busy is cease and desist letters to unlicensed individuals providing architectural services. We have noticed an increase in the number of people practicing without a licence.
- Again this year, the cornerstone of the underlying cause of most complaints results in the general lack of communication and respect between parties resulting in unfulfilled or false expectations. The delivery of architectural services without a proper agreement, contract or clear definition of scope and service principles will ultimately lead to disputes.
- Inappropriate withholding of "Schedule C" as leverage for payment of fees that may be owed.
- Lack of professionalism and recognition by registered members that when sealing or stamping documents, those documents must have been prepared by or under the personal supervision, direction and control of the authenticating individual.

As mentioned last year, there is an ever-increasing importance and emphasis on the complaint review process. Present day litigation and due diligence requirements of the courts and legal system are putting pressure on self-regulating bodies such as the AAA to be highly comprehensive and thorough in their investigations and handling of complaints. Protecting the public interest and assuring our standard of care underscores most of what we do as a professional association. The AAA relies on volunteer commitment for the many hours of work that is expected of this very important endeavor. If you are not on the list of CRC volunteers and wish to be involved, please contact us and we will be very pleased to add you to the list of members.

Thank you to the membership for their ongoing support as well as a special thank you to the members on Council, our Executive Director Barbara Bruce, Executive Assistant Sheila Nitti and our new Director of Practice Barry Johns. Barry offers a wealth of practice experience and valuable insights to the practice of architecture. This resource is very beneficial in sorting out the standard of care and the fiduciary obligations we, as registered architects and licenced interior designers, owe our clients and the public. Finally, we couldn't do what we do without all the staff at Duggan House. Thank you for your commitment and guidance that helps me to fulfill my role as Chair of the Complaints Review Committee.

► Professional Development Advisory Committee Report



**Coben Christiansen, Architect, AAA
Chair, PD Advisory Committee**

The PD Advisory Committee, along with the Banff Session Committee and Duggan House staff are happy to announce *Convergence, Banff Session 2016*. The theme this year explores how the spheres of psychology, environment, economics, methodology, and purpose are blurring and rapidly evolving. Having a well established reputation with consistent and enthusiastic support from delegates, speakers, sponsors and exhibitors, Banff Session celebrates its 60th anniversary in 2016.

We were pleased to host Spring PD Morning on Monday, March 21, 2016 at the Royal Mayfair Golf Club in Edmonton. This half day event provided attendees with the opportunity to enhance their professional development with timely and practical information. Topics included Integrated Project Delivery, Building code changes and the new National Energy code.

Lastly, we are currently working on a design project to allow our members to log their professional development activities online. This project is now well underway. We completed the discovery session with our IT consultant in January. We now have a draft design and are moving forward in further refining the look and feel. Testing will follow. We anticipate a soft launch for July/August 2016 with a complete roll-out and announcement to follow in September.

► Licensed Interior Designer Representative Report



Jane Lawson,
Licensed Interior Designer, AAA
LID Representative

In 2015, we initiated a Licensed Interior Design Task Force to address the concerns of our members brought to light at the 2014 Red Deer meeting. This task force met on a regular basis throughout the year to review and define solutions that would create an association that was more supportive to our interior design professional members and to the profession of interior design as a whole. One of our major goals was to help our association clearly represent our interior design professionals to the general public. We began a dialogue with the Interior Designers of Alberta (IDA), and the Interior Designers of Canada (IDC), to look at ways to better connect our two provincial associations and our national interior design association.

Through the hard work of our volunteer licensed interior design and architect task force members, dedicated members of IDA and the president of IDC, we began to examine the intent and the challenges of this and other goals.

As a result of numerous meetings and consultations, it became clear that the interior design profession would be best served by creating a single, recognizable provincial regulatory body. Thus in February 2016, a proposal for *a Framework for the Interior Design Profession in Alberta* was drafted by both provincial associations and IDC and put forward to the AAA and IDA councils for discussion and further refinement. The main goal of the document was to outline the attributes of a more supportive association for interior designers in Alberta that would include clarity to the public regarding the regulation of professional interior designers, an increased membership within the AAA, connectivity to IDC and other national and international interior design organizations, as well as clarification of and alternate paths to licensed interior design registration within our association.

By engaging in a truly collaborative process, we have come a long way in bridging a longstanding gap in communication within our own association, as well as our fellow provincial and national interior design associations. I look forward to continuing this important work with our architect and interior design members and colleagues to advance our mission of clearly recognizing and supporting a single provincial professional interior design entity as a professional body within the AAA. It will be an exciting year ahead!

► Intern Representative Report



Kurtis Nishiyama
Intern Architect, AAA
Intern Representative

It was a privilege and honor to serve as the Intern Representative for my second and final term on Council. Over the past two years I have witnessed first-hand the energy of students, intern architects and emerging practitioners. A growing sense of pride and passion in the intern community has been sparked by a Council that advocates the path to licensure. It is the strategic direction from Council that paints a positive outlook on the intern community and the association at large.

Newly introduced this year was the updated leave policy for AAA members. Changes to the policy reflect a direct response from Council to be inclusive towards the needs of its intern architect membership. The policy offers the necessary support and accommodation for intern architects in the experience program which is beneficial to retaining AAA membership and encouraging future registration growth.

I'm proud to say that in 2015 the AAA sponsored an unprecedented 22 interns to attend the RAIC Festival of Architecture held in Calgary. For 2016, AAA has pledged to sponsor an intern architect to travel to and participate in the RAIC Festival of Architecture in Nanaimo, BC. The festival is a unique opportunity for intern architects to network nationally and celebrate the profession of architecture. This year's festival will host events specifically aimed at emerging practitioners. Intern architects will be presented the opportunity to discuss strategies in advocating and advancing the role of emerging practitioners in the professional community.

Following previous years of success, the annual intern information sessions were once again held in Calgary and Edmonton. We are excited to see rising participation at these sessions and the thoughtful discussions which follow. The information sessions are an ongoing initiative that will continue to be a resource for intern architects and we encourage interns to participate in the future.

In my closing term I would like to express my sincerest gratitude to fellow Council members, staff and volunteers for the unyielding support and dedication they contribute to the association on a day-to-day basis. It is the inspiration from these individuals that have immersed me in my role and will continue to engage intern architects in years to come.

► University of Calgary Ex-Officio Report



David Monteyne
EVDS Representative

Naji Akbar,
Student Member, AAA
U of C Student Representative

In the MArch (Master of Architecture) Program of the Faculty of Environmental Design (EVDS), the past year has been punctuated by continued renewal of personnel, a strong slate of professional and social events and the continued success of our students.

As of September 1st, I was succeeded as head of the MArch Program by Graham Livesey. Graham has directed the Program for a total of seven years in the past and has taught in the Faculty of Environmental Design since 1991. We were pleased to welcome another new Assistant Professor, Mauricio Soto Rubio, who has arrived to take up teaching duties in the area of structures and design studio. Mauricio brings with him international design experience in lightweight structures and teaching experience in several European countries and the United States.

We continue to draw academics and professionals from around the continent for final studio reviews. In the past year we have hosted reviewers from Edmonton, Vancouver, Toronto, Montreal, Ann Arbor, Baton Rouge, and Moscow (Idaho). We also deploy many local sessional instructors drawn from the profession and related disciplines, including several returning faces this past academic year. Sessionals have included David Burch (IBI Group), Phil Vandermeij (SPECTACLE), Jessie Andjelic (SPECTACLE), Jodi James (mbac), Chris Roberts (Simpson Roberts), Keir Stuhlmiller (Group2), Dustin Couzens (MoDA), Yazan Bilbeisi, Matthew Knapik, and Salman Khalili.

The MArch Program has established a new award to recognize members of the architecture community who have made significant contributions to the education of our students and the excellence of our programs. We were proud to present the first annual Distinguished Contribution Award to Chris Roberts last spring. Chris is an alumnus of the MArch Program in 1979, and recently retired as partner from Simpson Roberts Architecture where he was responsible for such commissions as the Environmental Education and Ethics Centre at Ralph Klein Park. Chris began teaching building science courses with EVDS as a sessional in the late 1990s. His commitment to the technical design reviews, which integrate his building science courses into our comprehensive studio, has been highly valued by our students. The award itself was designed by Professor Barry Wylant and fabricated in our workshop by Darren Jakal and Nathan Tremblay.

As a faculty and a program, we have held numerous public events over the past year. The faculty's Design Matters lecture series, held at the University's downtown campus, continues to get great attendance. Our most recent event was very well attended, as we hosted Brad Cloepfil of Alliedworks, the Portland architect who designed Calgary's new National Music Centre, which is set to open the summer of 2016. EVDS also hosted alumni and donor/student awards events off campus, as well as events under the Faculty's makeCalgary brand, including several participatory planning and student service learning sessions in Calgary communities. Back on campus, the MArch Program hosted distinguished visiting lecturers in our Block Week courses; these included architect Christopher Sharples, a founding partner of SHoP Architects, New York (Somerville Design Charrette); Ellie Abrons (EADO) and Adam Fure (SIFT Studio), both of the University of Michigan (Taylor Seminar); and David Gissen, California College of the Arts (Gillmor Theory Seminar).

► Mount Royal University Ex-Officio Report



Helen Evans Warren
MRU Representative

C. Niki Patterson,
Student Member, AAA
MRU Student Representative

Several significant achievements were celebrated over the past year. As part of the new four-year Bachelor of Interior Design (BID) degree program, studio facilities were renovated over the summer. The renovations included the two student studio spaces, the common centre space, marking rooms, the computer lab and the resource centre. Two days prior to the start of classes in September; first, second, and third year students were excited to explore and get settled into the newly renovated studio facilities. Although no renovations are without some issues, students and faculty indicated that they enjoyed engaging and working in the new spaces.

The second and final phase of facility renovations will take place over the summer. These renovations will include the fourth and final studio space, new centre space/technology teaching space, the making space which includes 'hands on' space, 3D printing, laser cutting, a pin-up presentation/gallery space, and renovations to the department offices. There have been many successes in the exciting projects the students have been absorbed in over the past year. First year students explored requirements for inhabitation by considering specific activities of the body in space (sit | stand | sleep) through the 'Refuge' project, in which the students each designed a temporary individual emergency shelter. Second year students identified client and sustainable program requirements for their individual design of potential laneway houses in Calgary. Third year students presented exciting retail and restaurant projects prior to participating in their second and final work term in the winter semester.

The first phase of the BID Bridging program development has begun. The groundwork being done in this phase will help to establish a strong understanding of each Interior Design Technology (IDT) diploma program, areas of alignment with the BID and identification of content that needs to be delivered through the bridging program. This anticipated program

will provide an option for graduates of the two-year IDT programs in Alberta to continue their interior design studies through this program and transition into year three of the BID.

► Treasurer's Report



John Harrop, Architect, AAA
Treasurer

The AAA continued its record of strong financial performance in 2015. The Auditor's Report has given us a clean bill of health and provides the requisite third party oversight for our internal financial management and for our stakeholders. I would like to extend Council's thanks to the administration team of Duggan House for their careful management of our finances and for the development of the financial statements.

In 2015 operational revenues exceeded expenses by over \$300K due to healthy membership, two successful professional development events and prudent management by Council and staff. Our cash position remained strong at the end of 2015 and we were able to transfer \$478K to our designated funds:

- Most of this (\$400K) went to our Legal Contingency Fund topping it up to the Council goal of \$1.5M. While we hope this fund will never be used, it is an important fund to provide for legal and other costs arising from challenges to the profession and professional conduct disciplinary matters;
- \$50K was used to top up the Financial Stabilization Fund to \$550K, and;
- \$28K was used to increase the Duggan House Maintenance and Historic Fund to \$100K.

Our Balance Sheet (in the not-for-profit world called the "Statement of Financial Position") is now very strong; allowing us to not only weather the current economic climate, but look at ways of providing better services to our members in 2016.

It has been an honour to serve as the AAA Treasurer for the last two years. Work commitments have prevented me from considering another term on council, however I leave knowing Council and the administration at Duggan House are dedicated to maintaining our goals of ensuring a long-term financial stability for the AAA in the years to come.

► Budget

For the period January 1 - December 31, 2016

REVENUE

Annual Dues	\$ 1,582,000
Interest	43,000
Administration Fees/Charges	38,250
Total Operations Revenue	\$ 1,663,250

PROGRAMS REVENUE

Registration	61,000
Practice	7,500
Professional Development	151,150
Communications	589,250
Total Program Revenue	\$ 808,900

Total Revenue \$ **2,472,150**

EXPENSES

Council & Committees	\$ 119,500
Human Resources	1,005,000
Duggan House Operations	304,900
Amortization	107,500
National Levy	24,000
Legislation Review	122,600
Total Operations Expenditures	\$ 1,469,760

PROGRAMS EXPENSES

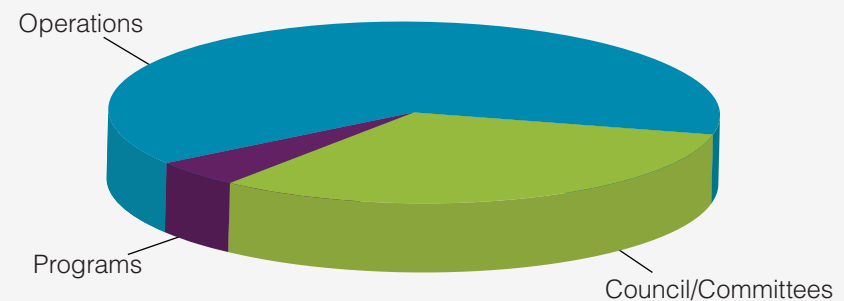
Registration	38,500
Practice	154,500
Professional Development	62,825
Communications	532,825
Total Program Expenditures	\$ 788,650

Total Expenses \$ **2,472,150**

Operations Surplus **0**

2016 Budget by Expenditure Area

Operations	1,564,000
Programs	788,650
Council/Committees	119,500
Total Operating Expenditures	\$ 2,472,150



► Financial Statements

The Alberta Association of Architects Year Ended December 31, 2015

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► Independent Auditors' Report

To the Members of the Alberta Association of Architects

We have audited the accompanying financial statements of The Alberta Association of Architects, which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Alberta Association of Architects as at December 31, 2015 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.

Edmonton, Alberta
February 25, 2016

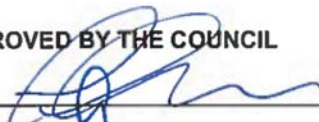
Collins Banow Edmonton LLP
Chartered Accountants


► Statement of Financial Position

December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 941,124	\$ 787,670
Short-term investments (Note 3)	716,897	---
Accounts receivable (Note 4)	21,471	124,162
Prepaid expenses	45,519	55,248
	<u>1,725,011</u>	<u>967,080</u>
Restricted cash (Note 5)	2,150,000	1,672,000
Long-term investments (Note 3)	719,945	1,412,000
Property and equipment (Note 6)	<u>1,312,367</u>	<u>1,341,909</u>
	<u>\$ 5,907,323</u>	<u>\$ 5,392,989</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 154,046	\$ 178,638
Deferred contributions (Note 8)	<u>1,580,779</u>	<u>1,369,565</u>
	<u>1,734,825</u>	<u>1,548,203</u>
NET ASSETS		
Invested in property and equipment	1,312,367	1,341,909
Internally restricted (Note 9)	2,150,000	1,672,000
Unrestricted	<u>710,131</u>	<u>830,877</u>
	<u>4,172,498</u>	<u>3,844,786</u>
	<u>\$ 5,907,323</u>	<u>\$ 5,392,989</u>

APPROVED BY THE COUNCIL





President - Peter Osborne, Architect, AAA

Treasurer - John Harrop, Architect, AAA

► Statement of Operations

For the Year Ended December 31, 2015

	2015	2014
REVENUES		
Operations (Schedule 1)	\$ 1,628,217	\$ 1,756,749
Programs (Schedule 2)	253,146	824,606
	<u>1,881,363</u>	<u>2,581,355</u>
EXPENSES		
Operations (Schedule 1)	1,325,320	1,323,762
Programs (Schedule 2)	228,331	619,898
	<u>1,553,651</u>	<u>1,943,660</u>
REVENUES OVER EXPENSES	<u>\$ 327,712</u>	<u>\$ 637,695</u>

► Statement of Changes in Net Assets

For the Year Ended December 31, 2015

	Unrestricted	Invested in Property and Equipment	Internally Restricted (Note 9)				2015	2014
			Duggan House Maintenance and Historical Fund	Legal Contingency Fund	Financial Stabilization Fund	Total Internally Restricted Fund		
NET ASSETS - BEGINNING OF YEAR	\$ 830,877	\$ 1,341,909	\$ 72,000	\$ 1,100,000	\$ 500,000	\$ 1,672,000	\$ 3,844,786	\$ 3,207,091
Revenues over (under) expenses	368,559	(40,847)	---	---	---	---	327,712	637,695
Invested in property and equipment	(11,305)	11,305	---	---	---	---	---	---
Transfers	(478,000)	---	28,000	400,000	50,000	478,000	---	---
NET ASSETS - END OF YEAR	<u>\$ 710,131</u>	<u>\$ 1,312,367</u>	<u>\$ 100,000</u>	<u>\$ 1,500,000</u>	<u>\$ 550,000</u>	<u>\$ 2,150,000</u>	<u>\$ 4,172,498</u>	<u>\$ 3,844,786</u>

► Statement of Cash Flows

For the Year Ended December 31, 2015

	2015	2014
Cash Provided by (Used by):		
OPERATING ACTIVITIES		
Revenues over expenses	\$ 327,712	\$ 637,695
Item not affecting cash:		
Amortization	40,847	52,962
	<u>368,559</u>	<u>690,657</u>
Changes in non-cash working capital (Note 10)	<u>299,042</u>	<u>(134,491)</u>
	<u>667,601</u>	<u>556,166</u>
INVESTING ACTIVITIES		
Increase in restricted cash	(478,000)	(246,000)
Purchase of property and equipment	(11,305)	(4,112)
Increase in investments	(24,842)	(812,000)
	<u>(514,147)</u>	<u>(1,062,112)</u>
INCREASE (DECREASE) IN CASH	153,454	(505,946)
Cash - beginning of year	<u>787,670</u>	<u>1,293,616</u>
Cash - end of year	\$ 941,124	\$ 787,670

► Notes to Financial Statements

December 31, 2015

1. Nature of Operations

The Alberta Association of Architects (the "Association") is a not-for-profit, self-governing professional organization which regulates architects and licensed interior designers in Alberta, in accordance with the provisions of the Architects Act, RSA 2000, c.A-44. As a non-profit organization under the Income Tax Act (Canada), the Association is exempt from income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

(c) Short-term Investments

Short-term investments are initially recorded at fair value and are comprised of guaranteed investment certificates with original maturities of greater than three months and less than one year.

(d) Long-term Investments

Long-term investments are initially recorded at fair value and are comprised of guaranteed investment certificates with maturity terms in excess of one year.

(e) Property and Equipment

Property and equipment are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following annual rates:

► Building and improvements	40 years
► Furniture and equipment	10 years
► Computer equipment	3 years
► Computer software	3 years

Course software under development is not amortized until it is put into use.

(f) Professional Conduct Matters

Costs arising from professional conduct matters are expensed as incurred. Recoveries of these costs are recognized when collection is certain.

(g) Donated services

The work of the Association is largely dependent on volunteer services contributed by many members. The services are not normally purchased by the Association and because of the difficulty in determining their fair value, donated services are not recognized in the financial statements.

(h) Revenue recognition

The Association follows the deferral method of accounting for contributions. Contributions are included in revenue in the year in which they are received or receivable,

with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period.

Deferred contributions are comprised of membership dues collected in advance, special levies for programs to be completed in the subsequent year and amounts received with respect to discipline matters still unresolved at year end.

Administration fees, professional development, registration and communications revenue are recognized as the services are provided and collectability is reasonably assured.

Sales of documents, forms and publications are recognized once the item has been delivered.

Interest income is comprised of interest from guaranteed investment certificates and is recognized on an accrual basis.

(i) Use of estimates

The preparation of these 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. Significant estimates included in the financial statements are the allowance for doubtful accounts, amortization and accrued liabilities. Actual results could differ from these estimates.

(j) Financial instruments

Measurement of Financial Instruments

Financial instruments are financial assets or financial liabilities of the Association where, in general, the Association has the right to receive cash or another financial asset from another party or the Association has the obligation to pay another party cash or other financial assets.

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for short-term and long-term investments, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include cash and accounts receivable. The Association's financial assets measured at fair value include short-term and long-term investments, which comprise restricted cash.

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

Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in operations.

3. Short-Term and Long-Term Investments

Short-term investments consists of two guaranteed investment certificates bearing interest at 1.5% and 1.8% per annum maturing July and December 2016 respectively. In the previous year, these two guaranteed investment certificates were classified as long-term investments due to their maturity dates being in excess of one year. As they are now due within one year, they have been reclassified as short-term investments for the current year.

Long-term investments consists of two guaranteed investment certificates bearing interest at 1.8% and 2.2% per annum maturing July 2017 and December 2018 respectively.

4. Accounts receivable

Accounts receivable consists of the following:

	2015	2014
Accounts Receivable	\$152,120	\$ 255,493
Allowance for doubtful accounts	(130,649)	(131,331)
	<u>\$ 21,471</u>	<u>\$ 124,162</u>

During the year, the Association recorded a bad debt recovery of \$578 (2014 - bad debt expense of \$32,132). This amount is included in operating, professional development, practice, communications and registration expenses. The allowance for doubtful accounts includes a provision for discipline case penalties of \$102,176 (2014 - \$102,176).

5. Restricted Cash

Restricted cash is comprised of \$2,150,000 (2014 - \$1,672,000) held in a bank savings account, which has been internally restricted for specific programs, as described in Note 9.

6. Property and Equipment

	Cost	Accumulated Amortization	2015 Net book value	2014 Net book value
Land	\$ 123,936	\$ ---	\$ 123,936	\$ 123,936
Building and improvements	1,422,174	320,373	1,101,801	1,137,355
Furniture and equipment	150,123	108,919	41,204	35,489
Computer equipment	81,579	71,539	10,040	13,176
Computer software	145,807	145,807	---	1,092
Course software under development	35,386	---	35,386	30,861
	<u>\$ 1,959,005</u>	<u>\$ 646,638</u>	<u>\$ 1,312,367</u>	<u>\$ 1,341,909</u>

7. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is the following government remittance payable:

	2015	2014
Goods and services tax payable	\$ 80,640	\$ 75,922

8. Deferred Contributions

Deferred contributions represent member dues and registration fees received in advance for the subsequent year and sponsorship and rental fees received for the 2016 Banff Session.

9. Net Assets

Unrestricted

The Council has designated some funds at the end of the year from unrestricted net assets to be used in support of projects that are either not included in the regular operating budget or that may be enhanced through additional fiscal support. The existence of such unrestricted funds allows the Association to address emerging priorities as well as unanticipated costs without having to cut back on programs or other important priorities within the current year's budget.

Internally Restricted

Legal Contingency Fund

The Legal Contingency Fund was established to grow to a minimum balance of \$1,500,000 in order to provide for legal and other costs arising from challenges to the profession and professional conduct disciplinary matters. This balance is adjusted annually to correspond to changes in the consumer price index. In the current year, an additional transfer of funds was approved in order to reach a balance of \$1,500,000.

Financial Stabilization Fund

The Financial Stabilization Fund was established to safeguard the Association against uncertainty and to provide for unexpected expenditures and new program initiatives. The balance is adjusted annually to correspond, at a minimum, to changes in the consumer price index or by an amount determined by the Council, in order to provide for six months' operating funds. In the current year, an additional transfer of funds was approved in order to reach a balance of a \$550,000.

Duggan House Maintenance and Historical Fund

There is a need to have funds available for the maintenance and the outside restoration of Duggan House, which was recognized by the provincial government on August 31, 1982 as a Provincial Historical Resource. The Duggan House Maintenance and Historical Fund was set up to provide for any additional restoration and maintenance expenses. In the current year, an additional transfer of funds was approved in order to reach a balance of \$100,000.

10. Changes in Non-Cash Working Capital

	2015	2014
Accounts receivable	\$ 102,691	\$ (41,387)
Inventory	---	2,436
Prepaid expenses	9,729	8,940
Accounts payable and accrued liabilities	(24,592)	(64,312)
Deferred contributions	211,214	(40,168)
	<u>\$ 299,042</u>	<u>\$ (134,491)</u>

11. Financial Instruments

The Association 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 Association's risk exposure and concentration as of December 31, 2015.

The Association's financial instruments consist of cash, short-term investments, accounts receivable, restricted cash, long-term investments and accounts payable and accrued liabilities.

The Association is exposed to the following risks through its financial instruments:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, or there is a concentration of transactions carried out with the same party. The Association is subject to credit risk through its accounts receivable.

The Association's accounts receivable are generally the result of services to its members. The Association has a large number of members which reduces the concentration of credit risk.

It is management's opinion that there is no significant credit risk as of December 31, 2015.

Liquidity Risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or in meeting obligations related to financial liabilities.

It is management's opinion that this risk has been reduced due to the large cash reserves on hand at December 31, 2015.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Association is exposed to interest rate risk arising from its interest bearing assets.

The Association's cash, short-term investments and long-term investments include amounts held by financial institutions that earn interest at market rates.

The Association manages its risk by monitoring interest being earned on excess funds.

► Schedule of Operating Activities - Schedule 1

For the Year Ended December 31, 2015

	2015	2014
Revenues		
Administration fees and charges	\$ 17,074	\$ 35,733
Annual dues	1,564,549	1,648,054
Duggan House restoration grant	---	28,250
Interest	46,594	44,712
	<u>1,628,217</u>	<u>1,756,749</u>
Expenses		
Amortization	40,847	52,962
Bad debts (recovery)	(578)	2,829
Council and Committees	86,311	105,452
Duggan House Operations	263,092	301,861
Human resources	915,042	838,228
National levy	20,606	22,430
	<u>1,325,320</u>	<u>1,323,762</u>
Revenues Over Expenses	<u>\$ 302,897</u>	<u>\$ 432,987</u>

► Schedule of Programs - Schedule 2

For the Year Ended December 31, 2015

	2015	2014
Revenues		
Communications and events	\$ 22,656	\$ 574,253
Practice and complaint	21,500	37,250
Professional development	100,025	94,070
Registration	108,965	119,033
	<u>253,146</u>	<u>824,606</u>
Expenses		
Communications and events	60,713	355,817
Practice and complaint	81,777	166,205
Professional development	29,663	41,718
Registration	56,178	56,158
	<u>228,331</u>	<u>619,898</u>
Revenues Over Expenses	<u>\$ 24,815</u>	<u>\$ 204,708</u>

► Volunteer Recognition

Those who can, do. Those who can do more, volunteer. Thank you to the following members for doing so much more for our professions:

Naji Akbar, Student Member, AAA
Donna Assaly, Licensed Interior Designer, AAA
Christopher Babits, Architect, AAA
Anna Batebe, Intern Architect, AAA
Dennis Bathory, Architect, AAA
Gregory Beck, Architect, AAA
Robert Bennett, Architect, AAA
Bill Boucock, Retired, AAA
Doug Campbell, Architect, AAA
Tom Cerkvenac, Licensed Interior Designer, AAA
Mark Chambers, Architect, AAA
Roland Charpentier, Architect, AAA
Ming Chen, Architect, AAA
Coben Christiansen, Architect, AAA
Stephanie Clancy, Architect, AAA
Grace Coulter, Architect, AAA
Donald Davidson, Architect, AAA
Eugene Dejneka, Architect, AAA
David Edmunds, Architect, AAA
Patricia Evans, Licensed Interior Designer, AAA
Gerald Forseth, Architect, AAA
Colin Friesen, Architect, AAA
Kari Anne Gaume,
Licensed Interior Designer, AAA
Crystal Graham, Licensed Interior Designer, AAA
Chris Greene, Licensed Interior Designer, AAA
Derek Haight, Architect, AAA
Lyle Hallett, Architect, AAA
John Harrop, Architect, AAA
Terry Hartwig, Architect, AAA
Amir Hemani, Life Member, AAA
Bob Hlavacek, Architect, AAA
Marty Hodgson, Architect, AAA
Matthew Horch, Architect, AAA
Henry Howard, Architect, AAA

Keesa Hutchinson, Architect, AAA
Bob Irlam, Architect, AAA
Martin Jones, Architect, AAA
Jade Kanevski, Architect, AAA
Brad Kennedy, Architect, AAA
Josh Kjenner, Intern Architect
Chris Kourouniotis,
Licensed Interior Designer, AAA
Leonard Kraemer,
Licensed Interior Designer, AAA
Randy Krebs, Architect, AAA
Robert Labonte, Architect, AAA
David Lachappelle, Architect, AAA
Jane Lawson, Licensed Interior Designer, AAA
Robert LeBlond, Architect, AAA
Janice Liebe, Architect, AAA
Judith MacDougall, Architect, AAA
William Marshall, Architect, AAA
Barry McCallum, Architect, AAA
Bruce McKenzie, Architect, AAA
Walker McKinley, Architect, AAA
Robert Merchant, Architect, AAA
Naomi Minja, Architect, AAA
Grant Moore, Architect, AAA
Ian Morgan, Architect, AAA
Gordon Murray, Architect, AAA
David Murray, Architect, AAA
Myron Nebozuk, Architect, AAA
Kurtis Nishiyama, Intern Architect, AAA
Gary Norbom, Architect, AAA
Shelley Nycz, Architect, AAA
Brian Oakley, Architect, AAA
Cara Oakley, Student Member, AAA
Linda Olson-Lipinski, Architect, AAA
Peter Ordynec, Architect, AAA

Peter Osborne, Architect, AAA
Alan Partridge, Architect, AAA
C. Niki Patterson, Student Member, AAA
Jan Pierzchajlo, Architect, AAA
Sergio Poles, Architect, AAA
Ronald Poon, Architect, AAA
Darryl Rewniak, Architect, AAA
Catherine Richardson,
Licensed Interior Designer, AAA
Michele Roach, Licensed Interior Designer, AAA
Leonard Rodriguez, Architect, AAA
William Ross, Architect, AAA
Fontaine Schaerer, Intern Interior Designer, AAA
Ulrik Seward, Architect, AAA
Wesley Sims, Architect, AAA
Leanne Soligo, Architect, AAA
Elizabeth Songer, Architect, AAA
Robert Spaetgens, Architect, AAA
Peter Streith, Architect, AAA
Keir Stuhlmiller, Architect, AAA
Patti Swanson, Architect, AAA
Jaime Taggart, Licensed Interior Designer, AAA
Dale Taylor, Life Member, AAA
Avery Temofychuk, Architect, AAA
Sandra Valens, Architect, AAA
John Webster, Architect, AAA
John Wheatley, Architect, AAA
Beverly Wilson, Licensed Interior Designer, AAA
Mandy Wong, Architect, AAA
Luisa Zilla, Licensed Interior Designer, AAA

Thank You!



Architects and Licensed Interior Designers

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