



Leanne Nansen



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
PRINCE EDWARD ISLAND

ANNUAL REPORT 2017-2018

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MESSAGE FROM THE LEADERSHIP

It has been another notable year for CPA Prince Edward Island.

The services and activities undertaken by CPA Prince Edward Island during the year were in support of our objectives to protect the public and to support and educate members. This is essential to maintain the reputation of the profession and of our members. These included practice inspection, continuing professional development offerings, compliance, and communication with members and investigations.

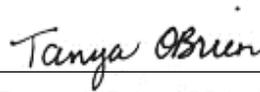
We would like to thank those members who volunteered their time during the year including Board members, committee members and individual members who participated in our financial literacy program and other activities.

We wish to extend a very special thank you to David Mallard for serving on the CPAPEI Board for the past 2 years, and to Ryan Pineau, retiring from the Board of CPAPEI after more than 10 years of service to the profession.

September 13, 2018



Lisa Underhay, CPA, CGA
CHAIR



Tanya O'Brien, CPA, CA
CHIEF EXECUTIVE OFFICER



Lisa Underhay, CPA, CGA
CHAIR



Tanya O'Brien, CPA, CA
CHIEF EXECUTIVE OFFICER

EXECUTIVE & BOARD OF DIRECTORS

Executive:

Chair

Lisa Underhay, CPA, CGA
Owner/Manager
Checkone 2 Enterprises Inc.

Past Chair

Ryan Pineau, CPA, CA
Partner
MacPherson Roche Smith

Secretary/Treasurer

Doug Ezeard, CPA, CA
Partner
Arsenault Best Cameron Ellis

Executive Committee

Becky Chaisson, CPA, CMA
Coordinator, Financial Services
English Language School Board

Board - Members at Large:

David Arsenault, CPA
Property Development Manager
Arsenault Brothers Construction Ltd.

Sharon O'Halloran, CPA, CGA
Owner
Sharon R. O'Halloran C.P.A., Inc.

Denise Lewis-Fleming, CPA, CA
Executive Director, Health PEI
Financial Services and Pharmacare

Rodney Payne, CPA, CGA
Partner
Fitzpatrick & Company

David Mallard, CPA, CA
Director of Operations
Rodd Hotels & Resorts

Kent Thompson, CPA, CMA, MBA
Director of Finance
Food Island Partnership

Kate O'Brien, CPA, CA
Supervisor, Financial Reporting
Maritime Electric Company, Limited

Public Representative:

Shawn Murphy, PC, QC

Chief Executive Officer:

Tanya O'Brien, CPA, CA

Administrative Staff:

Leanne Newson, BBA

BOARD OF DIRECTORS 2017-2018



Lisa Underhay, CPA, CGA



Ryan Pineau, CPA, CA



Doug Ezeard, CPA, CA



Becky Chaisson, CPA, CMA



David Arsenault, CPA



Denise Lewis-Fleming, CPA, CA



David Mallard, CPA, CA



Kate O'Brien, CPA, CA



Sharon O'Halloran, CPA, CGA



Rodney Payne, CPA, CGA



Kent Thompson, CPA, CMA, MBA



Shawn Murphy, PC, QC

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2017-2018

COMMITTEES

CONTINUING PROFESSIONAL DEVELOPMENT

Chair: Kate O'Brien, CPA, CA
Committee Members: Sandra Callbeck, CPA, CMA
Blair Corkum, CPA, CA
Bobbi Jo Duffy, CPA, CGA

DISCIPLINE

Chair: Gordon MacFadyen, CPA, CA
Committee Members: Alex Robert, FCPA, FCGA
Bertha Jay, CPA, CMA

FINANCE AND AUDIT

Chair: Doug Ezeard, CPA, CA
Committee Members: Kristen Dunsford, CPA, CGA
Jackie Ostridge-Phelan, CPA, CA
Ben Parsons, CPA, CMA, MBA

INVESTIGATION

Chair: Cleve Myers, FCPA, FCA
Committee Members: Lindsay Hai, CPA, CMA, MBA
Tony Hansen, CPA, CA

MARKETING AND MEMBER SERVICES

Chair: David Mallard, CPA, CA
Committee Members: Jenna Bysterveldt, CPA, CA
Amy MacFarlane, CPA, CA
(Financial Literacy Program)
Rachel Murphy, CPA, CMA
Kim O'Connell, CPA, CMA

PRACTICE INSPECTION

Chair: Sharon O'Halloran, CPA, CGA
Committee Members: Peter Baglole, CPA, CA
Mike Fitzpatrick, CPA, CA
Trevor Kennedy, CPA, CA

PUBLIC PRACTICE AND MEMBERSHIP

Chair: Denise Lewis-Fleming, CPA, CA
Committee Members: Shane Kelly, CPA, CMA
Lauren McQuaid, CPA, CA
Rodney Payne, CPA, CGA

AD-HOC COMMITTEES

AWARDS

Chair: Debbie Good, FCPA, FCA, MBA
Committee Members: Terry Keefe, FCPA, FCMA
Jason MacDonald, FCPA, FCGA

EDUCATION

CPA Atlantic School of Business Representatives:
Michael Fitzpatrick, CPA, CA
Lisa Underhay, CPA, CGA

HUMAN RESOURCES

Chair: Rob Philpott, CPA, CGA
Committee Members: Becky Chaisson, CPA, CMA
Deidre Smith, CPA, CMA

NOMINATING COMMITTEE

Chair: Cleve Myers, FCPA, FCA
Committee Members: Lane Pineau, CPA, CMA
Sherry Ross, CPA, CGA

REGULATORY ADVISORY COMMITTEE

Chair: Michael Fitzpatrick, CPA, CA
Committee Members: Travis Gallant, CPA, CA
George Mason, FCPA, FCMA, FCA
Scott Ryan, FCPA, FCMA
Lisa Underhay, CPA, CGA

INTRODUCTION

The period covered by this report is April 1, 2017 to March 31, 2018 (the current year).

Self-Regulation

CPA Prince Edward Island is privileged to be a self-regulating profession, established under the Chartered Professional Accountants and Public Accounting Act. With this privilege comes the paramount responsibility to protect the public.

Congruent and concurrent with this role of protecting the public is maintaining the reputation of the CPA profession. Registrants who provide professional services with competence and who are of good character are the essence of the strategy to achieve this goal.

CPA Prince Edward Island's regulatory framework is designed with this strategy in mind. Our training and regulatory processes ensure that our members meet the required professional standards, and the expectations of Islanders.

Legislation Review

The CPA profession also ensures that its standards and processes evolve to reflect the changing nature of business, while supporting and providing appropriate guidance amidst the uncertainty of a global economy.

After three years of operations, areas in the existing regulations requiring change have been identified, and an advisory committee has been struck to review the areas identified and work with government to amend. As a result, our regulations will be more reflective of the way in which the profession operates and the goals we are trying to achieve.

CPAPEI's Objectives

The objectives of CPAPEI are:

- (a) to protect the public in relation to the services of chartered professional accountants and public accountants;
- (b) to protect and maintain the integrity of the accounting profession;
- (c) to regulate the practice and professional conduct of registrants and licensees in accordance with this Act, the regulations and the bylaws;
- (d) to promote and increase the knowledge, skill and proficiency of students, candidates and members; and
- (e) to provide for the professional association and support of members.



CPAPEI's regulatory processes are governed by the *Chartered Professional Accountants Act* ("CPA Act"), Regulations and Bylaws.

These documents and processes are described more fully on CPAPEI's website.

PROTECTION OF THE PUBLIC

Practice Inspection

Under the harmonized practice inspection program, the first practice review year of a three year practice inspection cycle since unification was completed at March 31, 2018.

Practice inspection occurs for every firm engaged in the practice of public accounting a minimum of once every three years. The objective of practice inspection is protection of the public by assessing the compliance with professional standards and by taking appropriate follow-up or remedial action in instances of non-compliance.

DID YOU KNOW?

12 practice reviews were conducted in 2017.
14 practicing units will be inspected in 2018, plus 1 requiring reinspection from 2017.

CPAPEI has contracted its practice inspection to CPA Nova Scotia.

The public is further protected by practice inspection providing an educational experience to members and firms. CPAPEI communicates summary results of these practice reviews to all practitioners for educational purposes.

Continuing Professional Development (CPD)

CPD assists CPAs to develop and maintain professional competence that is relevant to their roles. Our CPD requirements are consistent with the International Federation of Accountants (IFAC) input based CPD standard of 120 hours every three years, with an annual minimum of 20 hours.

Active members must report compliance with CPD on a calendar year basis and virtually all members comply. Action is taken against members who do not comply with the requirements or the audit process. This action can result in suspension or cancellation of membership within the same calendar year as the reporting deadline.

The calendar year 2017 was the 2nd year of our three year rolling cycle, which began for all members in 2016.

CPD Learning Opportunities 2017-2018



257 participants engaged in our fall in-person CPD seminars

Additionally, 5 free CPD sessions were held:

- Cybersecurity Information Sessions | Charlottetown & Summerside
- Income Tax Update Sessions | Charlottetown & Summerside
- New Member Information Session

Regulation of Public Practice

There were...

151 practitioners and partners
operating in
29 public practice
offices in PEI
at March 31, 2018.



4 Complaints Received in 2017-2018



Under
review



Complaints
dismissed/
Not accepted



Investigations
authorized

Professional Conduct | Complaints

If a complaint is within CPAPEI's jurisdiction, and there are grounds for the complaint, an investigation into the matter is authorized.

The member has an opportunity to respond to the complaint and it's then reviewed by a committee member to determine whether a formal investigation is warranted. Once the complaint is investigated, the committee will make a recommendation for an order.

Orders may range from dismissal of the matter to the imposition of a suspension or cancellation of membership. The reasons and outcomes may be posted in the public domain. It's possible for the complainant to appeal a decision of an Investigation Committee to the Supreme Court of Prince Edward Island.

During the year there were no complaints referred to the Disciplinary Committee.

The CPA Post Designation Public Accounting (PDPA) Program

The PDPA program offers members who qualified without public accounting practice rights an efficient education and examination option. It comprises a mandatory education module and examination in assurance, taxation, financial accounting, finance, and strategy

and governance. It is mandatory for members seeking post-certification public accounting registration.

In 2017/2018, CPAPEI had one member successfully complete this program.

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND ANNUAL REPORT 2017-2018

MEMBERSHIP

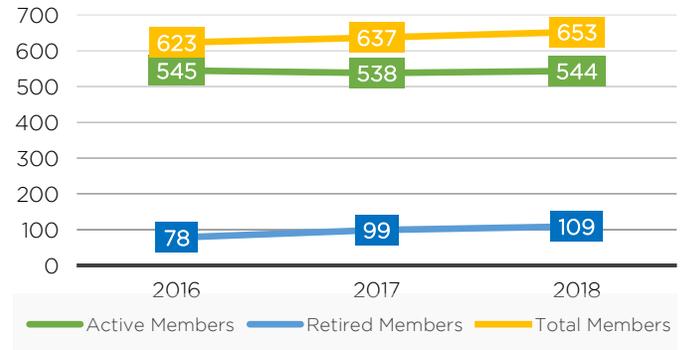
At March 31, 2018, CPAPEI had 653 CPA Members and 91 Students/Candidates pursuing an accounting designation in either the Professional Education Program (PEP) or the Pre-Requisite Educational Program (PREP). There are 34 Professional Corporations registered with CPAPEI.

Membership Changes 2017-2018

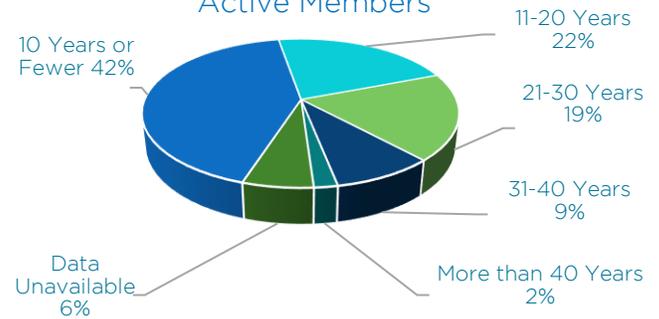
	Active	Retired	Students/ Candidates
April 1, 2017	538	99	105
New Members	21	0	0
Transfers In	10	0	0
Transfers Out	-7	0	0
Retirements	-11	11	0
Resignations	-7	0	0
Suspensions	0	0	0
Readmissions	1	0	0
Other	-1	-1	-14*
March 31, 2018	544	109	91

*net change includes those who have completed the program and become members, plus new registrations

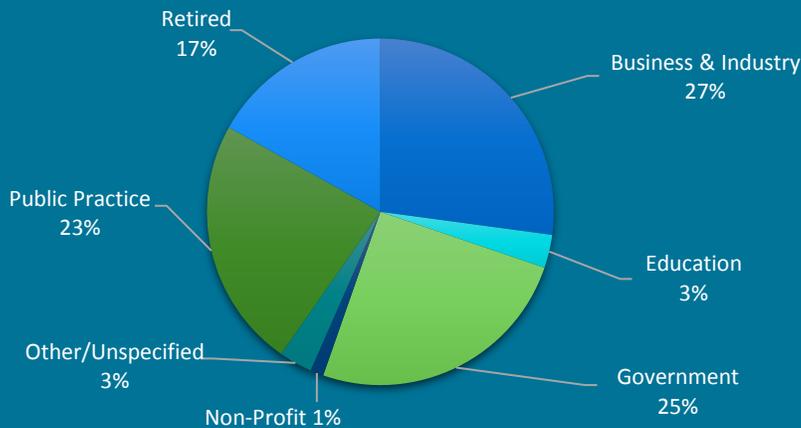
CPAPEI Membership



Number of Years in the Profession Active Members



Where CPAPEI Members Work 2017-2018



The majority of CPAPEI's members work outside of public practice, which is consistent with the CPA membership across the country. Members in industry hold diverse roles, with many clustered in leadership positions including executive, or controller roles.

Education and Qualification

CPA Prince Edward Island continues working with CPA Atlantic School of Business (CPAASB), who delivers the CPA Professional Education Program (CPA PEP), and the Prerequisite Education Program (CPA PREP).

The Advanced Certificate in Accounting and Finance (ACAF) is a certificate program aimed at accounting technicians and bookkeepers who do not intend to pursue the professional program, but would like to upgrade their skills. ACAF is now being delivered through the post-secondary market, and although there are no post-secondaries on Prince Edward Island offering the programs, individuals who wish to pursue the certificate may do so through on-line institutions. The final exam for ACAF is administered locally.

What will I learn in the CPA Program?



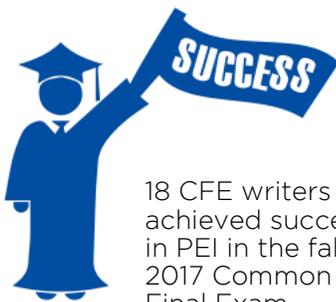
Education Highlights 2017-2018

CPAASB is also tasked with the recruitment of students/candidates to the program and works in conjunction with CPAPEI and the membership to carry out this function.

Education By the Numbers for PEI



Registered CPA mentors	63
CPA preparatory students	28
CPA PEP candidates	63
Number of local workshops	8
Number of local exams	52
High School Sessions	4
University sessions	7
Public information sessions	7
Employer sessions	6
Other recruiting events	4
Number of participants	420



18 CFE writers achieved success in PEI in the fall 2017 Common Final Exam.

CFE Success

Colin Beck	Olivia MacDonald	Riley Shea
Tyler Brown	Linda Matthews	Colin Simmons
Emma Carter	Patrick McIntyre	Yujie (Amie) Song
Catherine Cousins	Meaghan McQuaid	Steven Stretch
Julie Deveau	Stacey Myers	Matthew Weeks
Kaitlyn Lord	Sydney Riggs	Jason Wood

Marketing and Member Services

Career Support

CPA Prince Edward Island provides an online job board highlighting careers and volunteer opportunities targeted to professional accountants in Prince Edward Island. This job board is available on our website under professional opportunities.

News & Publications

CPAPEI publishes a quarterly electronic newsletter to keep its membership updated on changes in the profession, significant happenings within the membership, upcoming events and other relevant areas of interest to the profession.

Honouring the Best in our Profession

The inaugural 2017 Early Achievement Award recipient was Brad Colwill, CPA, CA.

The 2017 Fellowship recipient was Ron Keefe, FCPA, CA.

Community

Networking opportunities include Annual CPD member sessions, an Annual Golf event, the opportunity to serve on CPA Committees, and participate in Member Socials.

CPAPEI and its members give back to the community through the active role we play in the CPA Canada Financial Literacy Program. CPA Canada is working to address the growing social problem of financial literacy in Canada. 9 financial literacy sessions were presented on PEI through CPAPEI.

We have the opportunity to become a fundamental driver of the economic health of individual Canadians, their businesses and the broader economy.

Our mission is to deliver unbiased objective financial literacy education and information to improve the overall state of financial literacy in Canada.

Playing an active role in your professional community is a great way to support your fellow CPAs and the public interest.

Are you on the right side of change? Ask a CPA.



Post-Secondary Student Awards

CPAPEI offers several post-secondary awards to UPEI and Holland College students.

Awards given at UPEI:

CPAPEI Prize for the Highest Aggregate	Andrew Chapman
CPAPEI Prize for Leadership	Andrew Chapman
CPAPEI Prize for Intermediate Accounting	Josh Henderson
The Albert M. Ferris Award	Damilola Emmanuel
Society of Management Accountants of PEI Legacy Award	<i>to be awarded next in the fall of 2018</i>

The award presented at Holland College:

Chartered Professional Accountants of PEI scholarship	Kyle Santer
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TOP 10



Brand Ambassador Activities

- 1** Wear your CPA with pride!
- 2** Tell the CPA story to everyone at work: the CPA and its value, how unification happened and how it contributes to the economy and society.
- 3** Influence a young person thinking of becoming a CPA: be a mentor or a source of information on student options and career benefits.
- 4** If you are hiring, seek out CPAs; put "CPA preferred" on job ads.
- 5** Social media: follow us on LinkedIn, Twitter or Facebook. Check out our stories and share with your followers.
- 6** Volunteer as a CPA in your community; share your breadth of skills.
- 7** Take part in social engagements: Kiwanis clubs, chamber of commerce events, public fairs, etc.
- 8** Contribute local articles to newspapers or create a blog.
- 9** Tell your own story: your career successes and how you've made a difference by making your organization successful.
- 10** Ask your CPA peers to tell their CPA story!

CPAs...

- ... work anywhere in Canada or around the world
- ... are in high demand, have competitive compensation and have opportunity to give back to the community
- ... work literally in any industry including sports, high-tech, health and entertainment

Explaining how to become a CPA



- Step 1 Post-Secondary Degree**
Undergraduate, master's or equivalent of education plus required prerequisite courses.
- Step 2 CPA Professional Education Program (CPA PEP)**
16-to-24-month program while working in a career of choice.
- Step 3 Work Experience**
30 months in any industry while completing CPA PEP.
- Step 4 Common Final Examination (CFE)**
Pass a 3-day examination.

How to find out more

 Tell them to visit cpacanada.ca/becomeacpa or the website of their provincial or regional CPA body.

FINANCIAL REPORTING



Tel: (902) 436-2171
Fax: (902) 436-0960
www.bdo.ca

BDO Canada LLP
107 Walker Avenue
PO Box 1347
Summerside, PE C1N 4K2

Independent Auditor's Report

To the members of
Chartered Professional Accountants of Prince Edward Island

We have audited the accompanying financial statements of Chartered Professional Accountants of Prince Edward Island, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and unrestricted 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.

Auditor's 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 Chartered Professional Accountants of Prince Edward Island as at March 31, 2018, 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.

BDO Canada LLP
Chartered Professional Accountants

Summerside, Prince Edward Island
August 23, 2018

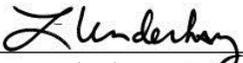
CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2017-2018

Chartered Professional Accountants of Prince Edward Island STATEMENT OF FINANCIAL POSITION As at March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 390,327	\$ 352,502
Accounts receivable	99,064	6,198
Harmonized sales tax receivable	-	5,333
Interest receivable	906	1,313
Prepaid expense	6,015	7,871
Loan to CPA Atlantic School of Business	-	15,828
	496,312	389,045
CAPITAL ASSETS	1	1
	\$ 496,313	\$ 389,046
LIABILITIES		
CURRENT		
Payables and accruals	\$ 85,349	\$ 20,027
Payroll remittances payable	4,590	4,318
Harmonized sales tax payable	786	-
Unearned revenue	26,011	3,945
	116,736	28,290
EQUITY		
RESTRICTED NET ASSETS (Note 4)	-	500
UNRESTRICTED NET ASSETS	379,577	360,256
	\$ 496,313	\$ 389,046

ON BEHALF OF THE BOARD



 Lisa Underhay, CPA, CGA
 Chair



 Doug Ezeard, CPA, CA
 Treasurer

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2017-2018

Chartered Professional Accountants of Prince Edward Island STATEMENT OF OPERATIONS AND UNRESTRICTED NET ASSETS For the Year Ended March 31, 2018

	Unaudited Budget	2018	2017
REVENUES			
Members' fees			
Provincial	\$ 240,330	\$ 242,577	\$ 233,352
CPA Canada (Note 3)	185,820	191,854	189,928
Practitioners	14,000	16,090	13,005
Professional corporations	3,450	3,995	4,195
Admission	1,567	3,765	2,600
	445,167	458,281	443,080
Less remitted to CPA Canada (Note 3)	(185,820)	(191,854)	(189,928)
	259,347	266,427	253,152
Self-funding activities (Note 6)	125,500	118,374	82,906
Interest income	2,000	1,828	2,231
Other Income	10,000	5,339	656
	396,847	391,968	338,945
EXPENSES			
Atlantic region forum	1,000	1,690	1,376
Board meetings	3,000	3,474	2,178
Convocation, net of recoveries	12,000	-	10,390
CFE and graduate prizes	1,000	-	-
CPA Atlantic School of Business review	2,000	1,498	-
Credit card discount fee	7,000	6,733	-
Equipment	1,500	1,606	-
Financial literacy	2,000	295	90
Information technology	4,000	2,804	2,897
Insurance	5,500	2,516	3,313
Member meetings, net of recoveries	7,400	5,162	1,418
Office and administration	12,500	9,789	9,047
Other committees	2,000	1,322	967
Prizes UPEI and Holland College	2,500	2,500	2,500
Professional fees	10,000	7,550	7,432
Public relations and social activities	12,000	14,526	14,654
Rent	17,500	17,052	16,808
Salaries and benefits (Note 5)	160,000	169,594	156,835
Self-funding activities (Note 6)	108,000	102,486	68,922
Share of CPA Canada education expenses (Note 3)	-	1,677	6,422
Share of CPA Canada profession expenses (Note 3)	14,875	13,943	12,633
Telephone	4,000	2,289	2,622
Travel	7,000	4,641	8,973
	396,775	373,147	329,477
INCOME FROM OPERATIONS	72	18,821	9,468
UNRESTRICTED NET ASSETS			
BEGINNING OF YEAR	360,256	360,256	350,288
Assets unrestricted during the year (Note 4)	-	500	500
END OF YEAR	\$ 360,328	\$ 379,577	\$ 360,256

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2017-2018

Chartered Professional Accountants Of Prince Edward Island STATEMENT OF CASH FLOWS For the Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Income from operations	<u>\$ 18,821</u>	<u>\$ 9,468</u>
Change in non-cash working capital items		
Accounts receivable	(92,866)	47,746
Harmonized sales tax receivable	6,119	(1,851)
Interest receivable	407	154
Prepaid expense	1,856	(3,447)
Repayment of loan	15,828	(47,835)
Payables and accruals	65,322	-
Payroll remittance payable	272	(1,375)
Unearned revenue	<u>22,066</u>	<u>(7,546)</u>
Net cash provided (used) in operating activities	<u>19,004</u>	<u>(14,154)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	37,825	(4,686)
CASH AND CASH EQUIVALENTS		
BALANCE, BEGINNING OF YEAR	<u>352,502</u>	<u>357,188</u>
BALANCE, END OF YEAR	<u><u>\$ 390,327</u></u>	<u><u>\$ 352,502</u></u>

Chartered Professional Accountants of Prince Edward Island
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

1. **Nature of Operations**

Chartered Professional Accountants of Prince Edward Island (CPAPEI) is a self-governing professional organization incorporated in 2015, which operates under the Chartered Professional Accountants of Prince Edward Island Act of 2015. The Board has approved a set of By-Laws and the organization operates as a not-for-profit under the Income Tax Act and is not subject to either federal or provincial income taxes.

2. **Summary of Significant Accounting Policies**

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO). Significant accounting policies are described below.

Use of Estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Members' fees and other revenues are recognized in the year to which they relate.

Contributed Services

CPAPEI and its members benefit from contributed services in the form of volunteer time for various committees. Contributed services are not recognized in these statements.

Capital Assets

Capital assets are recorded as an expense in the year of acquisition and carried at a nominal sum on the statement of financial position.

Cash and Cash Equivalents

Cash and cash equivalents are composed of funds held on hand, in the bank account and in Guaranteed Investment Certificates.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Employee Future Benefits

The organization has a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount based upon a set percentage of salary.

Chartered Professional Accountants of Prince Edward Island
NOTES TO THE FINANCIAL STATEMENTS
 March 31, 2018

3. Related Parties

The National portion of annual member fees is collected by CPAPEI and remitted to Chartered Professional Accountants of Canada (CPA Canada). This amounted to \$191,854 for 2017/2018 (\$189,928 for 2016/2017).

Costs of inter-provincial education services and national administration administered by CPA Canada are charged back to the provinces based on share of membership. CPAPEI's share of this for 2017/2018 was \$1,677 (\$6,422 for 2016/2017).

Governance of the profession and its members is shared among the CPA Canada and individual provincial, territorial and Bermuda organizations in accordance with a protocol agreement. CPAPEI's share of this for 2017/2018 was \$13,943 (\$12,633 for 2016/2017).

Transactions are in the normal course of operations and are measured at the exchange amount (the amount of consideration established and agreed to by the related parties).

4. Restricted Assets

The Board originally restricted \$2,500 for payment of the A. M. Ferris UPEI Award based on a commitment made to U.P.E.I. in Albert Ferris' honour. Each year \$500 is released towards this award.

5. Defined Contribution Plan

CPAPEI is enrolled in CPA Canada's defined contribution pension plan. The total pension expense was \$8,782 for 2017/2018 and is included in salaries and benefits (\$8,032 for 2016/2017).

6. Self-Funding Activities

	<u>2018</u>	<u>2017</u>
<i>Revenues</i>		
Professional Development	\$ 77,925	\$ 80,231
Practice Inspection	36,889	775
Post Designation Public Accounting	2,000	-
Golf day	<u>1,560</u>	<u>1,900</u>
	<u>\$ 118,374</u>	<u>\$ 82,906</u>
<i>Direct Costs</i>		
Professional Development	\$ 63,807	\$ 65,677
Practice Inspection	36,889	775
Post Designation Public Accounting	140	-
Golf day	<u>1,650</u>	<u>2,379</u>
	<u>\$ 102,486</u>	<u>\$ 68,922</u>

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2017-2018

Chartered Professional Accountants of Prince Edward Island BUDGET FOR THE YEAR ENDED March 31, 2019

Revenue	
Provincial Fees	\$ 268,200
National Fees	202,400
Interest and Penalties	1,500
Professional Development	75,000
Practice Inspection	40,000
The ONE	8,000
Golf Day	2,500
Sponsorship	7,500
Convocation	3,000
	608,100
Less: National Fees	(202,400)
Net Revenue	405,700
 Expenses	
Atlantic Regional Forum	4,000
Annual General Meeting	5,000
Board Meetings	6,500
CFE and Graduate Prizes	1,000
Convocation/Student Mixer	12,000
Credit Card Discount Fees	7,000
Equipment	1,500
Financial Literacy program	1,000
Golf day	3,000
Insurance	3,000
IT	3,500
Legal and audit	10,000
Levies by CPA Canada	14,875
Office and administration	12,500
Other committees	1,500
Practice inspection	40,000
Prize UPEI and scholarships	2,500
Professional development	60,000
Public relations	12,000
Rent	18,500
Social	3,400
Telephone	2,500
Travel	4,500
Wages and benefits	171,000
	400,775
	\$ 4,925



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