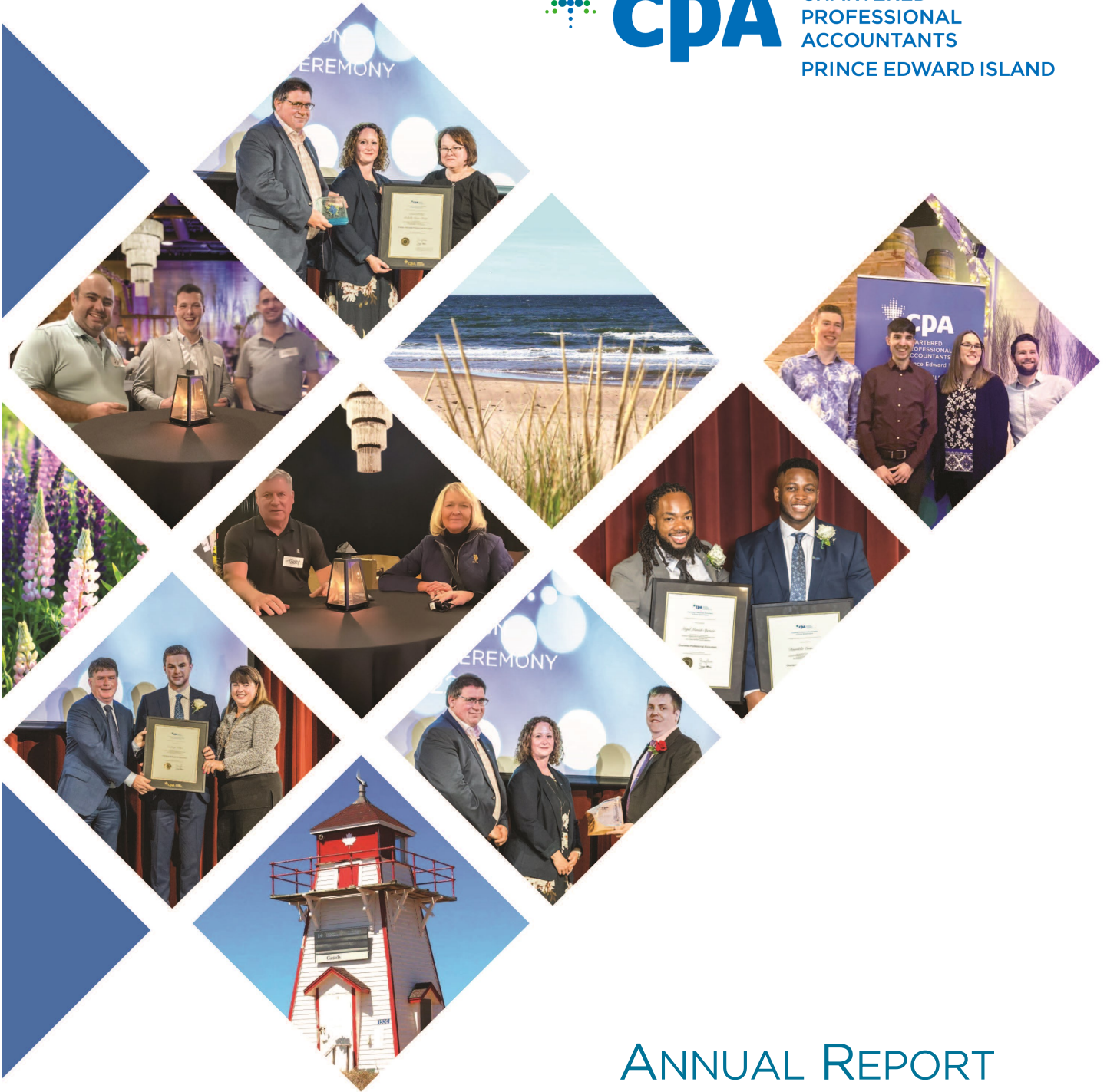




CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
PRINCE EDWARD ISLAND



ANNUAL REPORT 2021-2022

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MEMBERS OF THE EXECUTIVE & BOARD OF DIRECTORS 2021-2022



Executive Committee:

Becky Chaisson, CPA, CMA – Chair
Dennis Carver, CPA, CA – Vice Chair
Kristen Dunsford, CPA, CGA – Secretary/Treasurer
Angela MacDonald, CPA, CMA, MBA – Executive Committee

Members at Large:

Colin Beck, CPA
Travis Bertram, CPA, CA
Denise Lewis-Fleming, CPA, CA, MPA
Amy McQuillan, CPA, CMA, MBA
Ryan Power, CPA, CA
Luke Rowledge, CPA, CA

Public Representative:

Donna MacEwen, KC
(effective March 29, 2022)

Staff:

Tanya O'Brien, CPA, CA - Chief Executive Officer & Registrar
Leanne Newson, BBA - Administration & Member Services

MESSAGE FROM THE CHAIR

Although the COVID-19 pandemic has continued to exist, CPAPEI and the profession continued to adapt while some operations began to return to a more normal state. The profession got back to more in-person meetings, where possible and beneficial, to continue to move initiatives forward in a much more effective manner at a provincial, regional and national level.

The Board and Management of CPA PEI embarked on developing a new three-year (2022-2025) strategic plan as it was time to refresh the previous plan. After much work, four strategic directions were defined to provide focus for the next three years, while ensuring the core of these directions were centered around protecting the public. Many strategies were defined for each directive, and this will guide the work plan for CPAPEI over the next few years.

CPAPEI, in partnership with other provinces, continued to offer very successful virtual offerings of professional development. We have received very positive feedback on the way the professional development was completed and will be continuing to offer many virtual offerings of Professional Development this coming fall. The professional development offerings are now open for registration.

On a national level, the profession has been quite busy which includes a lot of work being done at a provincial level by the staff and board members of CPAPEI. In April 2022, CPA Canada announced their new CEO, Pamela Steer. Ms Steer has been building relationships since her hiring and has met with the executive of CPAPEI in an effort to bring all provincial, territorial and Bermudian bodies together to work on common initiatives. The work on the review and renewal of the Collaboration Accord and governance of the profession has continued and there is a hope that this work will be completed in the near future. Another area of national focus has been on the new Competency Map 2.0, which has been a major initiative and once adopted, has a goal of better preparing CPAs to work in a changing world, while maintaining their core skills. The last area that I would like to point out is that Montreal, Canada has been identified as an office for the International Sustainability Standards Board (ISSB). This is an exciting time and opportunity for Canada, and more information will be brought forward in the future regarding this Board and its initiatives.

In October 2021 we hosted a Convocation and Awards Ceremony for the 2019 and 2020 CFE writers. It was an honor and privilege to be able to celebrate the significant achievements of all

candidates and recognize them formally and publicly. We also awarded two member awards - Travis Bertram, Early Achievement Award and Michelle Burge, Fellow Award. Both are great achievements.

CPAPEI continues to have a number of active committees of the Board which carries out important work for the organization and profession on behalf of our 750 members. These committees are key to the success of the profession in our province. I would like to thank each and every one of the member volunteers that serve on these committees for their hard work, leadership and dedication to CPAPEI and the profession. I encourage all CPAs to consider becoming involved by volunteering on a committee, the Board, or any other opportunities available to give back to the profession or community. We need everyone's unique skills in order to grow and become stronger together!

I would also like to thank all of the members of the Board of Directors who have contributed countless hours to the Board, Committees, the School and the profession as a whole. Thank you for providing your time and leadership, it is valued and appreciated. Also, thank you to the CPA Prince Edward Island staff, Tanya O'Brien and Leanne Newson for their hard work and dedication to our organization.

I would like to end by thanking the membership of CPA Prince Edward Island for allowing me to serve on the Board of Directors of this profession and thank the other Directors for trusting me to serve as Chair and for their dedication to the profession. Working with this group of professionals is a privilege and an honor. A special thank you to retiring Board members Denise Lewis-Fleming and Travis Bertram for their service to the profession.

Respectfully,



Becky Chaisson, CPA, CMA



Becky Chaisson, CPA, CMA
Chair

COMMITTEES

Awards

Debbie Good, FCPA, FCA, MBA, *Chair*
Terry Keefe, FCPA, FCMA
Jason MacDonald, FCPA, FCGA

Continuing Professional Development

Amy McQuillan, CPA, CMA, MBA, *Chair*
Sandra Callbeck, CPA, CMA
Blair Corkum, CPA, CA
Bobbi Jo Duffy, CPA, CGA

Discipline

Gordon MacFadyen, CPA, CA, *Chair*
David Abbott, CPA, CA
Scott Messervey, CPA, CA, MPAM
Kimberley Norgaard, CPA, CA

Finance and Audit

Kristen Dunsford, CPA, CGA, *Chair*
Luke Rowledge, CPA, CA
Jackie Ostridge-Phelan, CPA, CA
Ben Parsons, CPA, CMA, MBA

Human Resources

Blake Crockett, CPA, CA, *Chair*
Becky Chaisson, CPA, CMA
Colin Beck, CPA, CA

Investigation

Cleve Myers, FCPA, FCA, *Chair*
Wayne Beaton, FCPA, FCA
Tony Hansen, CPA, CA
Lindsay Power, CPA, CMA, MBA
David Abbott, CPA, CA
Carl Adams, CPA, CA
Cheryl Paynter, CPA, CA
Bill Waterman, CPA, CMA
Tara Simmons, CPA, CA
Billy MacDonald, CPA

Representatives on Regional Boards/Committees

Atlantic Regional Forum
Becky Chaisson, CPA, CMA
Tanya O'Brien, CPA, CA
Dennis Carver, CPA, CA

CPA Atlantic School of Business

Karen Wight, CPA, CA
Tanya O'Brien, CPA, CA

Marketing and Member Services

Angela MacDonald, CPA, CMA, MBA, *Chair*
Jenna Bysterveldt, CPA, CA
Stacey Myers, CPA
Jessica Smith, CPA, *Financial Literacy Program*
Kent Thompson, CPA, CMA, MBA, *Brand Ambassador Program*

Nominating

Ryan Pineau, CPA, CA, *Chair*
Lane Pineau, CPA, CMA
Lisa Underhay, CPA, CGA

Practice Inspection

Dennis Carver, CPA, CA, *Chair*
Ryan Power, CPA, CA
Michelle Burge, CPA, CA
Michael Fitzpatrick, CPA, CA
Trevor Kennedy, CPA, CA

Public Practice and Membership

Denise Lewis-Fleming, MPA, CPA, CA, *Chair*
Travis Bertram, CPA, CA
Lauren McQuaid, CPA, CA
Rodney Payne, CPA, CGA
Jennifer Dunn, CPA, CA

Regulatory Advisory

Scott Ryan, FCPA, FCMA, *Interim Chair*
Michael Fitzpatrick, CPA, CA
Travis Gallant, CPA, CA
George Mason, FCPA, FCMA, FCA
Lisa Underhay, CPA, CGA

Representatives on National Boards/Committees

Board of Examiners

Debbie Good, FCPA, FCA, MBA

Council of Chairs

Becky Chaisson, CPA, CMA
Tanya O'Brien, CPA, CA
Dennis Carver, CPA, CA

Council of Chief Executives

CPD Professional Education Management Committee
Professional Learning Development Programs
Tanya O'Brien, CPA, CA

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND ANNUAL REPORT 2021-2022

WHO WE ARE

Chartered Professional Accountants of Prince Edward Island (CPAPEI) is the provincial professional regulatory body, representing over 800 members, candidates and students. CPAPEI was established after legislation was introduced in April 2015 to unify the three legacy professional accounting bodies.

CPAPEI is responsible for the following:



to protect the public in relation to the services of chartered professional accountants and public accountants;



to protect and maintain the integrity of the accounting profession;



to regulate the practice and professional conduct of registrants and licensees in accordance with this Act, the regulations and the bylaws;



to promote and increase the knowledge, skill and proficiency of students, candidates and members; and



to provide for the professional association and support of members.

Strategic Plan 2022-2025

In the fall of 2021, the Board and Chief Executive Officer began work to update the strategic plan for the next 3-year period (April 2022 to March 2025). This plan provides a roadmap, building on the strengths of CPAPEI, while supporting the profession and the organization in navigating the way forward in times of change.

Mission

Enhance the influence, relevance and value of the CPA profession by protecting the public interest, supporting our members and students, and contributing to economic and social development.



Vision

The Canadian CPA is the pre-eminent, globally respected business and accounting designation.

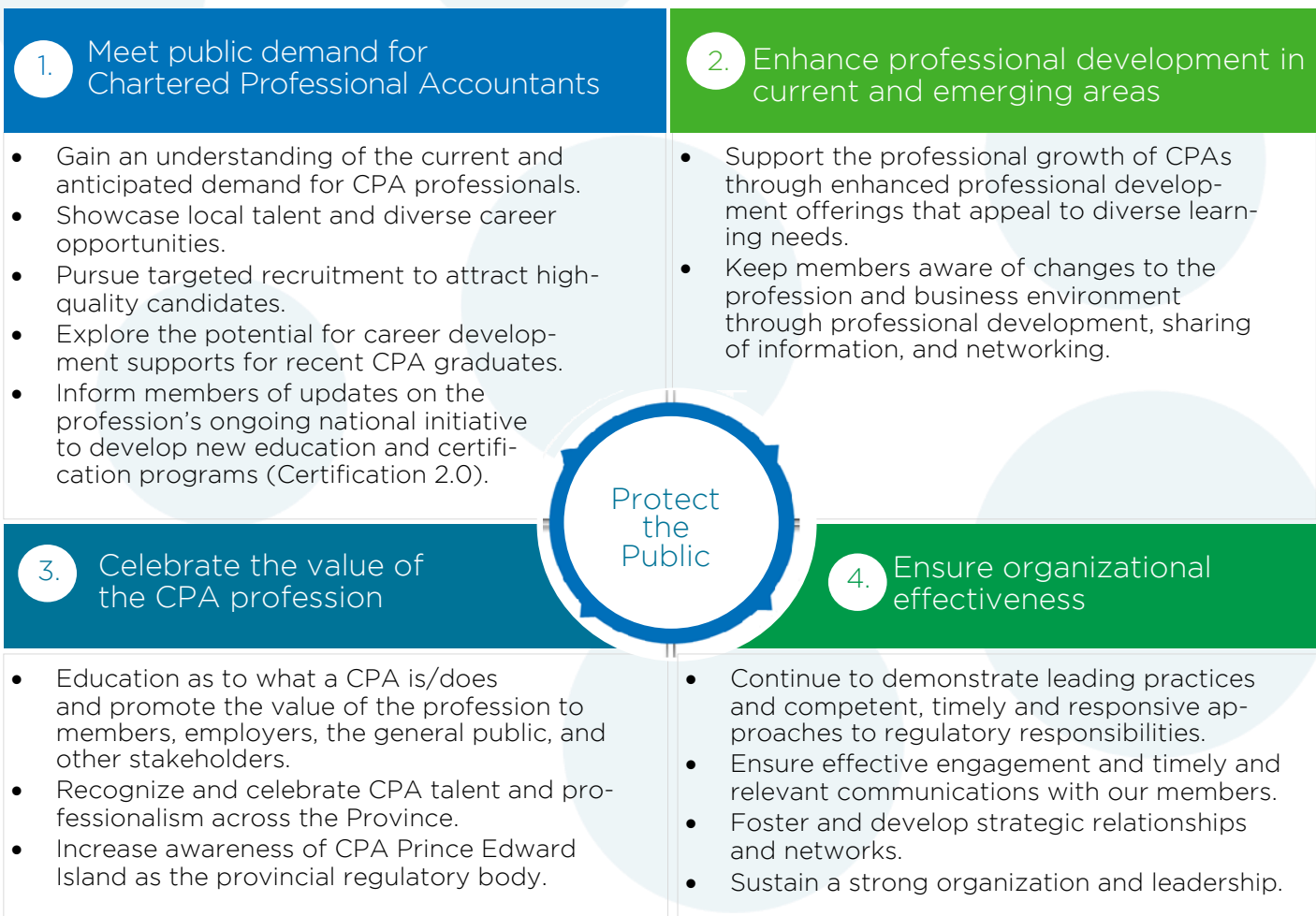
Values

- ◆ Act first in the interest of the public and second in the interest of the members
- ◆ Uphold the highest standards of professionalism, transparency and accountability
- ◆ Act with integrity to earn trust and respect at all times
- ◆ Protect the reputation of the profession
- ◆ Be innovative and adaptable

Strategic Directions

Four strategic directions define the priorities for the next three years in support of the mission and to work towards the vision.

Protecting the public is at the core of everything we do.



CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

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REGULATION

As members of a self-regulated profession governed by the *Chartered Professional Accountants and Public Accounting Act*, CPAs in PEI are held to the highest standards of professional conduct, which protects the public interest and the integrity of the profession.

Continuing Professional Development

93% of members were compliant by the CPD reporting deadline.

Members who are not CPD compliant must submit and follow a plan to become compliant. Those who do not comply may have their membership suspended or cancelled.

Complaints, Investigation & Discipline

New complaints received:	2022:	3
	2021:	1
	2020:	3

Investigations authorized/ Outstanding:	2022:	4
	2021:	2
	2020:	3

CPAPEI investigates complaints received about members, firms and students where ethical, professional, or practice standards of the profession may have been breached. Where breaches of bylaws or rules are found, disciplinary action may be taken through the process set out in the *Chartered Professional Accountants and Public Accounting Act*, and the Regulations of CPAPEI.

Licensed Practitioners

2022:	151
2021:	150
2020:	154

While the number of licensed members remains fairly constant, there is an increase in the number of members licensed outside the province.

Registered Offices

2022:	29
2021:	29
2020:	30

The number of registered offices remains unchanged, however, there are less offices located outside urban areas and an increase in the number of offices located outside the province.

Practice Inspection

100 % of firms met the program requirements in 2021.

Practice Inspections continued to be conducted remotely in 2021 in order to facilitate reviews during the pandemic.

PROFESSIONAL DEVELOPMENT

In 2020, CPA Prince Edward Island made the strategic decision to collaborate with CPA Newfoundland and Labrador, CPA Nova Scotia and CPA Bermuda and in 2021 the decision was made to continue with the collaboration and online delivery model to both mitigate the risk of virtual offerings and simultaneously expanding the number of courses offered.

Through this virtual collaboration, CPAPEI was able to offer 82 courses with course registrations totaling 691. With more members engaged in the live collaborative sessions, fewer participants utilized the on-demand and e-learning product offerings of CFI e-Learning, AudioWeb Podcasts, K2 Virtual courses and On-Demand Refresher courses.

CPAPEI Members also participated in a collaborative 1-day virtual Business & Innovation Forum, as well as a joint 1-day virtual Practitioner's Forum.

PD revenue was up and costs were down with the margin improved by 6%. Some of the increased revenue can be attributed to 2021 being the third year in a three year cycle for ethics hours and thus members were ensuring they were PD compliant.

The remote/online learning format allows our PD program to reach and serve more members across the province, with diverse offerings for members in all sectors of the economy.

Increase in Registration & Courses



CPD Delivery 2021-2022

82



Live Online
Atlantic Collaboration

52



AudioWeb Podcasts

19



E-Learning Courses

0



In-Person Seminars

75



Live Broadcast &
K2 Webinars

16



On Demand Refreshers
& Recorded Webinars

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

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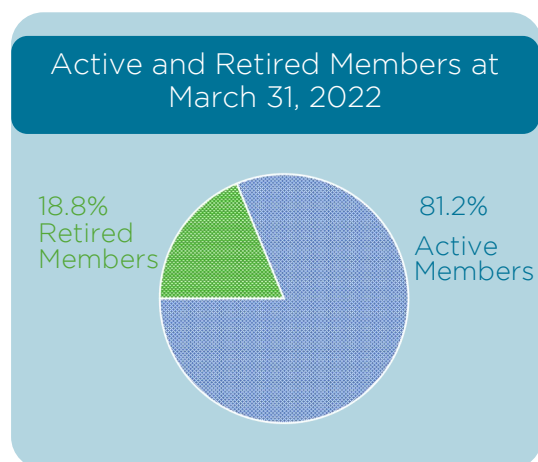
MEMBERSHIP

At March 31, 2022, CPAPEI had **745** CPA Members and **111** Students/Candidates pursuing an accounting designation in either the Professional Education Program (PEP) or the Pre-Requisite Educational Program (PREP).

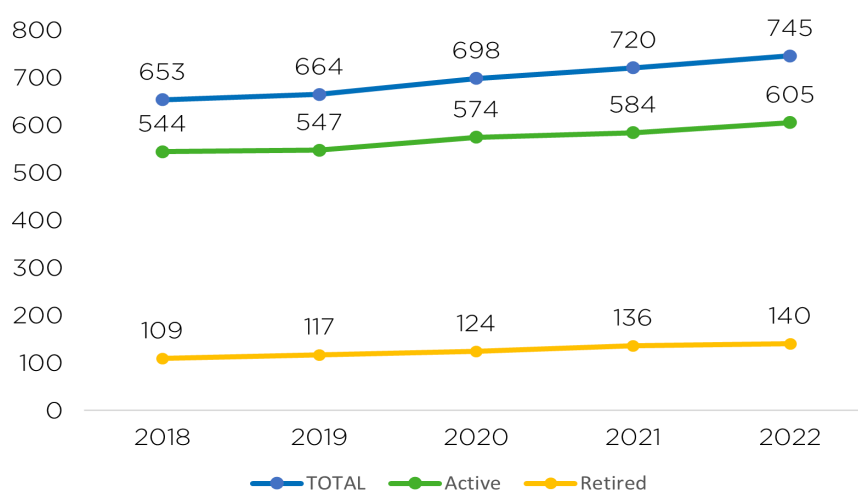
Member Statistics for the Year Ended March 31, 2022

Member Changes During the Period

	Active	Retired	Total
Membership at beginning of the year	584	136	720
Admitted during the period by:			
Examination	11	0	11
Affiliation and Transfer in	28	1	29
Readmissions/Reinstatements	1	-1	0
Decrease in membership:			
Deceased	0	-6	-6
Resignations	-4	0	-4
Retirements	-10	10	0
Transferred Out	-5	0	-5
Membership at the end of the year	605	140	745



5-year increase in total membership: 12.3%



We acknowledge the passing of these members during the year:

Ernest Brennan, FCPA, FCA

Burton H. Foster, CPA, CGA

Gail Wellner, CPA, CGA

Kenneth Ezeard, FCPA, FCA

Wayne Hooper, CPA, CA

W. Bruce White, CPA, CA

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

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Welcome to New Members

By Program Completion:

Ashley Cheverie, CPA
Lauren Compton, CPA
Megan Court, CPA
Matthew Downey, CPA
Ryan Dunn, CPA
Damilola Emmanuel, CPA
Jesse Knox, CPA
Devin Murphy, CPA
Migel Spencer, CPA
Jason Wood, CPA
Mei Ye, CPA

By Membership Transfer:

Ravi Naidu Badana, CPA, CMA
Tik Sang Dickson Chan, CPA
Brian Doyle, CPA, CGA
Brian Flewelling, CPA, CGA
Ann Galbraith, CPA, CA
Grant Galbraith, FCPA, FCA
Victoria MacPhail, CPA
Kathleen McCarvill, CPA, CA
Robert McKenney, CPA, CMA
James Murray, CPA, CA
Kathryn Widdifield, CPA
Jonathan Wilson, CPA, CMA
Li Yan, CPA, CGA

Associate Membership:

Rodney Belliveau, CPA, CA
Dana Birch, CPA, CA
Kendra Doyle, CPA, CA
Peter Edwards, CPA, CA
Cheryl Hugill, CPA, CA
Veronica Hunt, CPA, CA
George Kinsman, CPA, CA
Igor Kostiuoutchenko, CPA, CA
Anne-Marie LeBlanc, CPA, CA
Wanda Leese, CPA, CA
Colin MacLean, CPA, CA
Julie Maillet, CPA, CA
Harry Mortimer, CPA, CMA
Stephanie O'Connor, CPA, CA
Gus Patel, CPA, CA
Christopher Trenaman, CPA, CA

New Board Members

At the 2021 Annual General Meeting, two new Board Members were appointed.

Colin Beck, CPA

Colin began his career in public practice with Arsenault Best Cameron Ellis in Charlottetown & AC Stevenson & Partners in Riverview, NB before moving into the investment advisory business at Richardson Wealth. Colin's current role is Associate Investment Advisor, where he is responsible for the tax, estate, and financial planning aspects of their client base.



Colin has a passion for writing, and has contributed to the financial website Motley Fool Canada. Colin is also the author of *Deferred Gains: A Practical Road Map to Earning the CPA Designation*. The book is specifically written for CPA students and helps equip them with the necessary skills to complete the CPA program.

Colin has a Bachelor of Business Administration from the University of Prince Edward Island and completed his CPA designation in 2017. He is currently enrolled in the Chartered Financial Analyst (CFA®) Program and is a Level II Candidate. Colin also serves as the Vice-Chair for the PEI Literacy Alliance.

Ryan Power, CPA, CA

Ryan's career in public practice began in 2009, when he graduated from UPEI with a Bachelor of Business Administration and immediately joined Arsenault Best Cameron Ellis. Shortly thereafter, he entered the CA program, and in 2013, received his CA designation. He is now a Partner with Arsenault Best Cameron Ellis in Charlottetown.



His extensive experience and knowledge assist clients in various sectors and industries with personal and corporate taxation, developing business plans and projections, assisting with corporate re-organizations and estate planning, and taking on an advisory role during the process of buying and selling businesses.

Ryan has been actively involved as Finance Chair for 2012 Scotiabank Hockey Day in Canada event; Secretary/Treasurer for Hockey PEI Officials Council (2009 - 2017); Treasurer of Belvedere Golf Club (2018 - present); Director of Operations for the 2019 Hockey PEI Men's Canada Games team; and Finance Chair for the 2020 World Under-17 Hockey Challenge.

EDUCATION AND QUALIFICATION

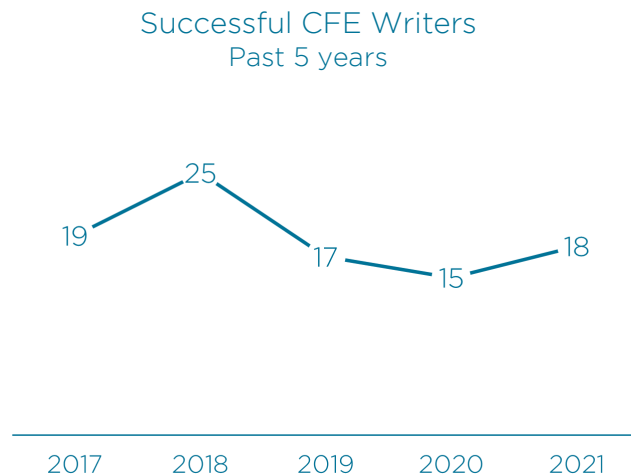


Photo Credit: Simon Reid Studios

18 CFE writers achieved success on the 2021 Common Final Exams:

Pictured L to R: Cecilia Campbell, Spencer Gallant, Noah Bitar, Ashley Cheverie, Lauren Compton, Jennifer Hoyt, Megan Court, Brady Cook, Matthew Downey, Kylee McRae, Zachary Ladner, Migel Spencer, Damilola Emmanuel

Missing from photo: Mitchel Closs, Gabriel LaRochelle, Devin Murphy, Jisoo Park, Melissa Postma



Competency Map 2.0: Learn today. Lead tomorrow.

As the pace of change accelerates, the CPA profession must adapt accordingly.

The Canadian Chartered Professional Accountants Competency Map (**CM2.0**) is a visionary map for the Canadian CPA profession. It sets out the skills and competencies required at the point of obtaining the CPA designation.

CM2.0 is a map that reflects a world that is in constant flux. As such, it is presented in a way that will allow it to adapt and transform as the world continues to evolve at an accelerated pace. In this respect, it is meant to be evergreen. **CM2.0** will serve as a north star to guide CPAs through an ever-changing future and ensure that CPAs remain the trusted leaders that they have always been.

Canadian CPAs have an unparalleled depth of knowledge in accounting, which they leverage to work in many arenas, including public accounting, industry, government and the not-for-profit sector. They have exclusive practice rights, which are set out in provincial legislation. These exclusive rights are an essential component of the CPA profession that will be supported through the implementation of **CM2.0**.

Their strong ethical foundation and professional commitment to protect the public and act in the public interest, along with their skills and competencies, allow them to succeed and lead in many professional roles.

Several key factors are influencing the dramatic shifts that we are seeing in the accounting profession; **CM2.0** takes these into account in its approach.

These factors include:

- ◆ Data governance, artificial intelligence and machine learning
- ◆ Automation
- ◆ Shifting expectations of businesses and society

Even as these factors drive change, protecting the public continues to be at the core of the profession. CPAs with public accounting licences play an important role in protecting the public interest by ensuring the integrity of capital markets and fostering public and investor confidence.

Also, as markets shift, data is being used increasingly to value companies. And CPAs have a vital role to play in providing assurance as value creation changes. The new map is intended to serve as a guide that will inform the profession's approach to ongoing growth and development for all CPAs.

Future students—pursuing public accounting or other related accounting streams—will continue to learn specific skills and competencies related to financial reporting, assurance and tax, but with more flexibility to ensure responsiveness and adaptation to new technology and shifts in societal values.

With the map's implementation planned for 2024-25, the profession is now working on how to operationalize it.

Visit cpaleadstheaway.ca to read the map, watch a video about it and keep up to date on continuing professional development opportunities.

CM2.0 does the following:



ESTABLISHES the body of skills and competencies required of newly certified Canadian CPAs at a high level



PROVIDES directional guidance to post-secondary educators and program developers for the further development and revisions of their programs



PROVIDES directional guidance to employers for the further development of competency objectives for practical experience



HELPS guide those seeking to enter the profession understand the opportunities available to them if they choose to enter the profession



HELPS existing CPAs to understand how the profession continues to evolve and the importance of continuing to learn, lead and grow

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND ANNUAL REPORT 2021-2022

MARKETING AND MEMBER SERVICES

Recognition Awards

Member Awards

Fellowship Award

The title of Fellow formally recognizes those members whose career achievements and/or contributions to the community have earned them distinction and brought honour to the profession.

In 2021, Michelle Burge, FCPA, FCA, Partner, MRSB, was awarded the Fellow designation.



Early Achievement Award

The Early Achievement Award celebrates members who distinguish themselves early in their CPA career through professional achievement and volunteer service, with an emphasis on professional accomplishment.

In 2021, Travis Bertram, CPA, CA, Corporate Controller at Amalgamated Dairies Limited (ADL), was presented with the Early Achievement Award.



Graduate Awards

CPA Prince Edward Island Award of Achievement

The CPA Prince Edward Island Award of Achievement is presented to the candidate who achieved the highest standing on the 2021 Common Final Exams in PEI.

For 2021, the recipient was Kylee McRae.



CPA Prince Edward Island Leadership Award

The CPA Prince Edward Island presents a Leadership Award to the graduate as determined by their peers as having provided leadership or exemplified leadership skills through the CPA experience.

For the 2021 CFE, the recipient of this award was Melissa Postma.



Post-Secondary Student Awards

CPAPEI sponsors several post-secondary awards for UPEI and Holland College students.

Awards given at UPEI:

CPAPEI Prize for the Highest Aggregate:

- ◆ Hallee Alyssa Hunter

CPAPEI Leadership Award:

- ◆ Hallee Alyssa Hunter

CPAPEI Prize for Intermediate Accounting:

- ◆ Latifat Onikoyi-Deckon

Society of Management Accountants of PEI Legacy Award:

- ◆ Ba Thuy Duyen Nguyen

Award given at Holland College:

CPAPEI Award in Accounting:

- ◆ Kollin Casera

Communications

Communications and engagement with members is a priority of CPA Prince Edward Island. To that end, a communications plan was developed to:

- ⇒ strengthen the connection with membership
- ⇒ see more students graduating from the program and entering the workforce
- ⇒ increase awareness of CPA's in the business community

With less in-person events and fewer opportunities to meet and connect with members, CPA Prince Edward Island has developed a strategy to use more social media to reach and engage with members, employers and the public. There will be regular features of new members, employers, events, financial information and job opportunities as we work to promote the value of the profession and recognize and celebrate members.

Community

CPA Prince Edward Island continues to work with the public in providing societal value where it can. We know that members already volunteer in many roles in the community while CPA Prince Edward Island is working to increase financial literacy and assist those with moderate incomes file their tax returns.

As part of our continued commitment to the Community Volunteer Income Tax program, we had had 6 volunteers complete 170 returns for 2021.

CPA Prince Edward Island has entered a five year arrangement with the new Charlottetown Library Learning Centre to offer financial literacy sessions to the public.

Our face-to-face sessions provide direct education to the following targeted audiences:

- adults
- seniors
- new Canadians
- elementary and high school students
- post-secondary students
- small & medium businesses
- entrepreneurs
- not-for-profits
- remote communities
- low-income

Social media and member engagement



	<u>2021-22</u>	<u>2020-21</u>
Users	21,719	14,222
Sessions	33,196	25,617
Pageviews	101,195	87,890



	<u>2021-22</u>	<u>2020-21</u>
Campaigns	64	31
Sends	32,219	15,628
Open Rate	57%	59.0%



	<u>2021-22</u>	<u>2020-21</u>
Page Reach	13,817	7,960
Page Visits	1,072	682
New followers	63	38



	<u>2021-22</u>	<u>2020-21</u>
Impressions	30,277	49,697
New Followers	26	36

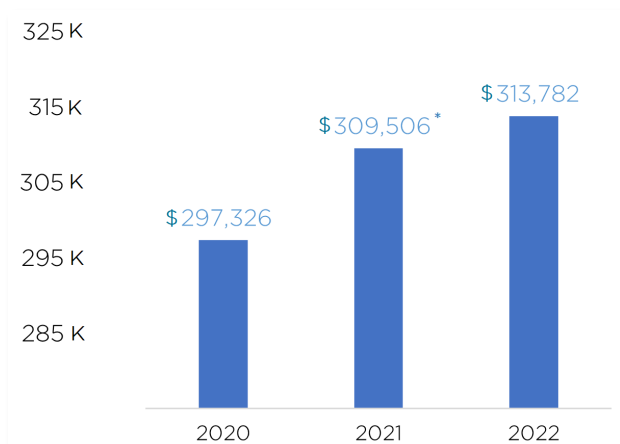


	<u>2021-22</u>	<u>2020-21</u>
New Posts	74	40
Total Followers	180	148

MANAGEMENT DISCUSSION AND ANALYSIS

March 31, 2022 ended with business and organizations beginning to return to normal operations or the new normal. For fiscal 2022, public health measures continued to have an impact on operations but not to the same degree as the previous year.

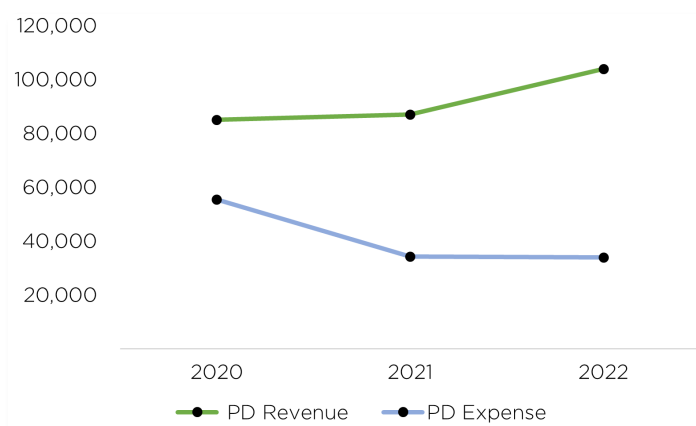
Revenue from all membership fees for the year ended March 31, 2022, was \$313,782; an increase over the prior year mainly due to an increase in membership numbers as new members for the year exceeded the number of members retiring or resigning from membership. Member fees were over budget by \$8,352 due to the increase in new members and the timing of new graduates being admitted to membership.



* reflects a member dues increase of \$10

In addition to the revenues highlighted above, CPA Prince Edward Island has two key self-funded activities which include the professional development program and the practice inspection program. The practice inspection program is not intended to contribute to the general operations; and we look to rebill all direct costs associated with the program to firms that were inspected. The contribution to operations from the Professional Development program was over budget by \$29,982. Throughout 2021-22 the entire CPD program continued to be run virtually with a variety of courses offered through live-broadcasts and on-demand platforms. CPA Prince Edward Island continued its partnership with CPA Nova Scotia, CPA Newfoundland and Labrador, and CPA Bermuda, allowing our members to take advantage of a broader range of course options. With increased availability and lower costs associated with the virtual offerings, the margins on courses are higher than in-class sessions. We are also able to spread the risk of offering a course across the participating bodies and share the workload involved in the increased offerings. Overall, total registration was above budget, while delivery costs remained consistent with prior year resulting in an increased positive contribution from Professional Development. As in the past, indirect costs are not allocated

to the professional development program and there is an expectation that Professional Development will yield a contribution to offset a portion of the indirect costs incurred.



Convocation for 2020 Common Final Exam candidates was held in a modified format due to public health restrictions in October 2021 and thus costs were less than budgeted by \$7,535.

Discipline and Investigation showed a negative budget variance of \$24,151 and were \$31,093 higher than the prior year. Given the nature of this expense, it is difficult to budget as it is not possible to determine the timing, nature, and complexity of disciplinary matters in any given year. The annual budget is based on an average of past conduct and discipline costs updated for what is known at the time of budgeting. Included in conduct and discipline costs are CPA Prince Edward Island legal fees, investigation costs, which include legal fees and other costs related to a discipline hearing.

Information Technology includes the licenses for a new member management system. Due to a delay in the implementation of the member management project, the cost for the licenses was not incurred and Information technology costs were significantly under budget but in line with previous year costs.

A member rebate of \$10 per member amounting to \$4,417 was approved by the Board for the year ending March 31, 2022. This was an unbudgeted expense and significantly below the member rebate of \$54,000 the previous year which was based on \$100 per member.

Salaries and benefits were higher than the previous year by \$1,811 due mainly to cost of living increases. Strategic Initiatives were both higher than budgeted and higher than the previous year as CPA Prince Edward Island budgeted for and incurred costs for communication planning but also went ahead with a Strategic Plan Review which was not in the budget. Positive budget variances were seen in almost all other expenditures due to curtailment of activities

as a result of provincial and national pandemic restrictions. Board, committee and National meetings continued to be conducted virtually; and travel for provincial and national initiatives did not take place.

Net Assets

The increase in total Net Assets of CPA Prince Edward Island reflects the net surplus generated by the organization in 2021/22. In 2021/22, the Board internally restricted amounts for a new membership management program in the amount of \$40,000 (2021 - \$40,000) and an additional \$10,000 for strategic initiatives of the organization.

Net assets continue to be held for the protection of the public, which would be those resources held to offset unexpected costs in the event of a significant disciplinary case that could not be absorbed within the operational budget and for operational costs needed to meet any unexpected financial risk CPA Prince Edward Island may encounter in the near future.

Risks and Risk Management Economic Environment

The economic environment in Prince Edward Island, although impacted by the global economic crisis created by the COVID-19 pandemic, remains relatively strong. Overall, CPA Prince Edward Island was fortunate to have a steady flow of graduates becoming members, as well as members transferring to the province this year, while admissions outpaced retirements in fiscal 2021-22, our aging demographics could see retirements begin to outpace new members and create a decline in memberships. Those who became members during the year by program completion were 11 and those who retired were 10 so we can see we are only just balancing those finishing the program with those leaving the profession through retirement. We continue to see a strong market for CPAs in the province as evident from job opportunities posted on our website and this may have contributed, along with hybrid work environments, to the 28 new members that transferred in or became affiliate members. To meet the demand for CPA's and to provide more flexibility for students and employers, the profession is now providing two opportunities to write the Common Final Examination - in September and May. This year we were delighted to celebrate 18 candidates who were successful on the CFE. Protocols implemented during the pandemic continued to support the maintenance of our strong financial position. We remain focused on maintaining our member base and achieving our operating targets going forward. We will continue to work with CPA Canada, our provincial counterparts, and the CPA Atlantic School of Business to

support the profession and recruit new students as we prepare for the future.

Risk in Respect of Financial Instruments

CPA Prince Edward Island's financial instruments are comprised of cash and cash equivalents, investments, accounts receivable, and accounts payable. The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates fair value due to their liquidity and short-term maturities. CPA Prince Edward Island is exposed to the following risks in respect of certain financial instruments held:

- ◆ Credit risk arises from the potential that a counter party will fail to perform its obligations. It is management's opinion that CPA Prince Edward Island is not exposed to significant credit risk as its accounts receivable arise mainly from transactions with parties such as members and firms.
- ◆ Currency risk is the risk to CPA Prince Edward Island's revenues and expenses that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that CPA Prince Edward Island is not exposed to any currency risk as it has no material transactions in foreign currencies
- ◆ CPA Prince Edward Island's investments in cash equivalents and fixed income investments are subject to market risks as the value of these investments will change with market fluctuations. Based on the nature of CPA Prince Edward Island's investments, it is management's opinion that CPA Prince Edward Island is not exposed to significant fair value market risk.

Operational Risk

CPA Prince Edward Island operates with limited staff resources and relies heavily on its volunteers to achieve the strategic priorities of the Board. This represents a risk that CPA Prince Edward Island may not be able to achieve all objectives should positions become vacant or they are unable to recruit sufficient volunteers. To mitigate this risk the Board ensures that it has a broad base of volunteers as well as an active and engaged Board. As a self-regulatory body, CPA Prince Edward Island recognizes the need to ensure it can continue to provide self-regulatory activities such as on-going discipline activities and practice inspection. Such activities do not come without a substantial cost representing an operational risk for the organization. By maintaining total net assets in excess of annual membership fees and working with support and combined resources of the other provinces and the national body, the Board is taking conscious efforts to mitigate this risk.

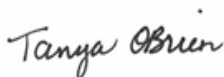
Management responsibility for financial reporting

The accompanying financial statements and all other information contained in this annual report are the responsibility of the management of the Chartered Professional Accountants of Prince Edward Island (CPAPEI). The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and have been approved by the Board of Directors.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of CPAPEI. Management maintains a system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis and are properly approved, resulting in the presentation of reliable financial information. Such information also includes numbers based on management's best estimate and judgment.

The Finance and Audit Committee (the "Committee") reviews the annual financial statements and recommends them to the Board of Directors for its approval. In addition, the Committee meets periodically with management. The Committee reports directly to the Board of Directors and reviews the annual report in its entirety. The accompanying financial statements have been audited by the external auditor, who is engaged by the Board of Directors, on the recommendation of the Committee, and whose appointment was approved by the members at the annual general meeting. The external auditor has access to the Committee, without management present, to discuss the results of the audit.

DATED August 30, 2022



Tanya O'Brien, CPA, CA
Chief Executive Officer

FINANCIAL REPORTING



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BDO Canada LLP
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Independent Auditor's Report

To the Board of Directors of
Chartered Professional Accountants of Prince Edward Island

Opinion

We have audited the accompanying financial statements of Chartered Professional Accountants of Prince Edward Island ("CPAPEI"), which comprise the statement of financial position as at March 31, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CPAPEI as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CPAPEI in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is responsible for assessing CPAPEI's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CPAPEI or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CPAPEI's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CPAPEI's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CPAPEI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CPAPEI to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Summerside, Prince Edward Island
August 30, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2021-2022


Chartered Professional Accountants of Prince Edward Island
STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and Cash Equivalents	\$ 658,667	\$ 593,382
Accounts Receivable	57,294	58,343
Harmonized Sales Tax Receivable	5,863	9,597
Interest Receivable	13,965	9,569
Prepaid Expenses	9,825	3,518
	745,614	674,409
CAPITAL ASSETS	1	1
	\$ 745,615	\$ 674,410
LIABILITIES		
CURRENT		
Payables and Accruals	\$ 113,995	\$ 132,119
Payroll Remittances Payable	7,238	8,490
Unearned Revenue	132,024	100,383
	253,257	240,992
EQUITY		
RESTRICTED NET ASSETS (Note 3)	90,000	40,000
UNRESTRICTED NET ASSETS	402,358	393,418
	\$ 745,615	\$ 674,410

ON BEHALF OF THE BOARD



 Becky Chaisson, CPA, CMA
 Chair



 Kristen Dunsford, CPA, CGA
 Treasurer

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2021-2022

Chartered Professional Accountants of Prince Edward Island STATEMENT OF OPERATIONS AND UNRESTRICTED NET ASSETS For The Year Ended March 31, 2022

	Unaudited Budget	2022	2021
REVENUES			
Members' fees			
Provincial	\$ 284,750	\$ 283,652	\$ 280,061
CPA Canada (Note 4)	220,000	220,285	218,776
Practitioners	14,000	15,500	15,900
Professional Corporations	3,680	4,485	4,255
Admission Fees	3,000	10,145	9,290
	<u>525,430</u>	<u>534,067</u>	<u>528,282</u>
Less remitted to CPA Canada (Note 4)	(220,000)	(220,285)	(218,776)
	<u>305,430</u>	<u>313,782</u>	<u>309,506</u>
Self-Funding Activities (Note 6)	115,750	150,792	125,069
Interest Income	9,000	9,211	9,618
Discipline	-	-	1,000
Other Income	9,500	13,456	8,290
	<u>439,680</u>	<u>487,241</u>	<u>453,483</u>
EXPENSES			
Atlantic Region Forum	500	-	-
Awards For Members	-	-	1,389
Board Meetings	500	764	-
Convocation	16,000	8,465	6,659
Credit Card Discount Fee	12,000	8,211	14,811
Discipline and Investigation	18,000	42,151	11,058
Equipment	1,500	-	3,160
Financial Literacy	500	-	239
Information Technology	15,000	205	685
Insurance	3,000	2,235	2,354
Member Meetings	8,000	7,426	-
Member Rebate	-	4,417	54,000
Office and Administration	8,000	7,348	7,454
Other Committees	500	1,590	-
Prizes	3,000	3,000	3,000
Professional Fees	9,500	9,380	8,335
Public Relations	15,500	9,936	7,918
Rent	22,000	2,384	4,245
Salaries and Benefits (Note 5)	202,000	209,798	207,987
Self-Funding Activities (Note 6)	72,000	80,560	72,904
Share of CPA Canada Profession Expenses (Note 4)	15,000	7,389	5,608
Share of CPA Canada Other Expenses	-	(4)	(814)
Strategic Initiatives	10,000	21,076	-
Telephone	2,500	1,844	1,721
Travel	2,000	126	-
	<u>437,000</u>	<u>428,301</u>	<u>412,713</u>
INCOME FROM OPERATIONS	<u>\$ 2,680</u>	<u>58,940</u>	<u>40,770</u>
UNRESTRICTED NET ASSETS			
BEGINNING OF YEAR		393,418	392,648
Transfer to Restricted Assets		(50,000)	(40,000)
END OF YEAR		<u>\$ 402,358</u>	<u>\$ 393,418</u>

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2021-2022

Chartered Professional Accountants of Prince Edward Island
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Income from Operations	\$ 58,940	\$ 40,770
Change in Non-Cash Working Capital Items		
Accounts Receivable	1,049	(48,089)
Harmonized Sales Tax Receivable	3,734	(7,716)
Interest Receivable	(4,396)	(8,495)
Prepaid Expense	(6,307)	444
Payables and Accruals	(18,124)	112,830
Payroll Remittance Payable	(1,252)	3,004
Unearned Revenue	31,641	54,088
Net Cash Provided in Operating Activities	6,345	106,066
NET CHANGE IN CASH AND CASH EQUIVALENTS	65,285	146,836
CASH AND CASH EQUIVALENTS		
BALANCE, BEGINNING OF YEAR	593,382	446,546
BALANCE, END OF YEAR	\$ 658,667	\$ 593,382

Chartered Professional Accountants of Prince Edward Island
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

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 balance sheet.

Cash and Cash Equivalents

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

Chartered Professional Accountants of Prince Edward Island
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

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.

3. Restricted Assets

Restricted Net Assets reports resources that have been internally appropriated by the Board of Directors. The purpose of this fund is to update membership database software and carry out strategic initiatives. This internally restricted amount is not available to be used for other purposes without the approval of the Board of Directors.

4. Related Parties

The National portion of annual member fees is collected by CPAPEI and remitted to CPA Canada. This amounted to \$220,885 for 2021/2022; (\$218,776 for 2020/2021).

Costs of other services and national administration administered by Chartered Professional Accountants of Canada (CPA Canada) are charged back to the provinces based on share of membership. CPAPEI's share of this for 2021/2022 was (\$4); ((\$814) for 2020/2021).

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 2021/2022 was \$7,389; (\$5,608 for 2020/2021).

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).

5. Defined Contribution Plan

The Organization enrolled in CPA Canada's defined contribution pension plan. The total pension expense for the year was \$13,118 and is included in salaries and benefits (\$12,053 for 2020/2021).

Chartered Professional Accountants of Prince Edward Island
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

6. Self-Funding Activities

	<u>2022</u>	<u>2021</u>
<i>Revenues</i>		
Professional Development	\$ 103,891	\$ 86,946
Practice Inspection	43,001	36,823
Post Designation Public Accounting	<u>3,900</u>	<u>1,300</u>
	<u>\$ 150,792</u>	<u>\$ 125,069</u>
 <i>Direct Costs</i>		
Professional Development	33,909	34,104
Practice Inspection	43,001	37,304
Post Designation Public Accounting	<u>3,650</u>	<u>1,496</u>
	<u>\$ 80,560</u>	<u>\$ 72,904</u>

7. Uncertainty Due to COVID-19

On January 30, 2020, the World Health Organization announced a global health emergency because of COVID-19. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The Government of Prince Edward Island has enacted emergency measures to combat the spread of the virus. These measures include the implementation of travel bans, self-imposed quarantine periods and social distancing. As a result, the Organization has had to move all events and professional development courses to virtual settings. Although there have been limited interruptions to its service and the disruption from the virus is expected to be temporary, given the dynamic natures of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time.

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2021-2022

Chartered Professional Accountants of Prince Edward Island BUDGET FOR THE YEAR ENDED March 31, 2023

	Budget 2022/2023
Revenue	
Provincial Fees	\$ 311,970
National Fees	220,000
Interest Income	9,000
Miscellaneous	3,500
Professional Development	90,000
Practice Inspection	30,000
Sponsorships	8,300
Convocation	3,750
	676,520
Less: National Fees	(220,000)
Net Revenue	456,520
 Expenses	
Atlantic Regional Forum	500
Annual General Meeting	1,000
Board Meetings	2,000
CFE Prizes	1,000
Convocation	16,000
Credit Card Discount Fees	7,000
Equipment	1,500
Financial Literacy	500
Insurance	2,500
Investigation	30,000
Information Technology	15,000
Legal & Audit	10,000
Office and Administration	8,000
Other Committees	1,200
Practice Inspection	30,000
Prizes	2,000
Professional Development	31,500
Public Relations	20,000
Rent	26,000
Salaries and Benefits	213,700
Share of CPA Canada Profession Expenses	16,000
Social/Candidate Reception	5,000
Sponsorship	2,800
Strategic Planning Initiatives	10,000
Telephone	2,500
Travel	500
	456,200
Total Expenses	456,200
 Net Income	 \$ 320



CPA

**CHARTERED
PROFESSIONAL
ACCOUNTANTS
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