



Amanda Mulligan, CPA, CMA



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
PRINCE EDWARD ISLAND

ANNUAL REPORT 2015-2016



TABLE OF CONTENTS

MESSAGE FROM THE LEADERSHIP	4
CPAPEI EXECUTIVE AND BOARD OF DIRECTORS	5
CPAPEI COMMITTEES	6
INTRODUCTION	7
PROFILE	7
CPAPEI's OBJECTIVES	7
CANADIAN CONTEXT	7
GOVERNANCE	7
NEW GOVERNING DOCUMENTATION	8
CPAPEI ACT AND GENERAL REGULATIONS	8
CPAPEI BYLAWS	8
CPAPEI CODE OF PROFESSIONAL CONDUCT	9
OUR MEMBERSHIP	9
MEMBERSHIP AT A GLANCE	9
MEMBERSHIP DIRECTORY	10
WHERE MEMBERS WORK	10
PROTECTING THE PUBLIC	10
CONTINUING PROFESSIONAL DEVELOPMENT	10
REGULATION OF PUBLIC PRACTICE AND LICENSED MEMBERS	11
PROFESSIONAL CONDUCT (DISCIPLINE AND INVESTIGATION)	11
EDUCATION AND QUALIFICATION	12
MARKETING AND MEMBER SERVICES	13
FINANCIAL REPORTING	15
INDEPENDENT AUDITOR'S REPORT	16
STATEMENTS AND NOTES	17
BUDGET	22

MESSAGE FROM THE LEADERSHIP

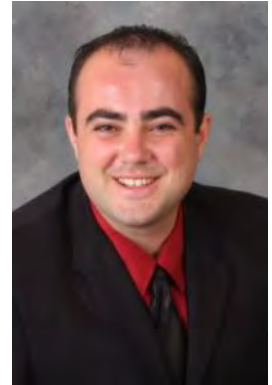
On April 1, 2015, the Chartered Professional Accountants and Public Accounting Act was proclaimed. This historic day was the culmination of years of work, collaboration and commitment towards the creation of a unified profession.

None of this would have been possible without the efforts of many legacy council and board members and we would like to acknowledge and thank those leaders who worked together to help get us there, namely Chris Gallant, CPA, CA; Jean Kimpton, FCPA, FCMA; Sherry Ross, CPA, CGA and Cleve Myers, FCPA, FCA. They and their colleagues on the legacy councils, associations and joint venture put together the framework which allowed the new organization, CPA PEI, to be enacted.

With this new organization came many changes for members. Members must now tag their designation, CPA firms must now register and change their name to reflect the new designation, billing for licenses is now done through firms, we have one new merged database of members and CPD reporting is now done via the on line portal. Also, new certificates were distributed to members. Members are encouraged to keep abreast of changes in the profession, ultimately it is a member's responsibility to ensure they are compliant.

This report summarizes the important work done by the Board, Committees and staff over the year. Looking ahead, most of the transition is behind us and we can work toward building the CPA brand and ensuring members have the support they need to be successful. We will continue to meet our objectives of protecting the public and the integrity of the profession by regulating the practice of members and increasing the knowledge and skill of members.

September 9, 2016

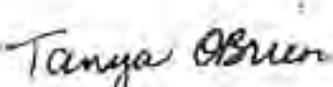


Ryan Pineau, CPA, CA
CHAIRMAN



Tanya O'Brien, CPA, CA
CHIEF EXECUTIVE OFFICER


Ryan Pineau, CPA, CA
CHAIRMAN


Tanya O'Brien, CPA, CA
CHIEF EXECUTIVE OFFICER

EXECUTIVE AND BOARD OF DIRECTORS

Executive:

Chairman

Ryan Pineau, CPA, CA
Partner
MacPherson Roche Smith & Associates

Vice Chair

Jean Kimpton, MBA, FCPA, FCMA
Senior Financial Analyst, Corporate Finance
Treasury Board Secretariat
Province of Prince Edward Island

Secretary/Treasurer

Doug Ezeard, CPA, CA
Partner
Arsenault Best Cameron Ellis

Executive Committee

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

Board - Members at Large:

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

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

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

Karen Stanley, CPA, CA
Senior Budget Analyst, Finance
Treasury Board Secretariat
Province of Prince Edward Island

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

Paula Gallant, FCPA, FCGA
Business Auditor
Canada Revenue Agency

Rodney Payne, CPA, CGA
Partner
Fitzpatrick & Company

Public Representative:
Shawn Murphy, PC, QC

Administrative Staff:

Leanne Newson, BBA

Chief Executive Officer:

Tanya O'Brien, CPA, CA



COMMITTEES

Continuing Professional Development

Chair:

Kate O'Brien, CPA, CA

Committee Members:

Craig Gallant, CPA, CA

Sandra Callbeck, CPA, CMA

Bobbi Jo Duffy, CPA, CGA

Discipline

Chair:

Gordon MacFadyen, CPA, CA

Committee Members:

Alex Robert, CPA, CGA

Bertha Jay, CPA, CMA

Education

Chair:

Karen Stanley, CPA, CA

Committee Members:

Lisa Underhay, CPA, CGA

Patrick Davies, CPA, CMA

Finance and Audit

Chair:

Doug Ezeard, CPA, CA

Committee Members:

Britt Burns, CPA, CA

Ben Parsons, CPA, CMA

Sharon O'Halloran, CPA, CGA

Human Resources

Chair:

Cleve Myers, FCPA, FCA

Committee Members:

Becky Chaisson, CPA, CMA

Kristen Dunsford, CPA, CGA

Deidre Smith, CPA, CMA

Investigation

Co-Chairs:

Albert Ferris, FCPA, FCA

Tony Hanson, CPA, CA

Committee Members:

Lindsay Hai, CPA, CMA

Marketing and Member Services

Chair:

Paula Gallant, CPA, CGA

Committee Members:

Julianna Chui, CPA, CA

Kim O'Connell, CPA, CMA

Kent Thompson, CPA, CMA

Practice Inspection

Chair:

Ryan Pineau, CPA, CA

Committee Members:

Michelle Burge, CPA, CA

Mike Fitzpatrick, CPA, CA

Public Practice and Membership

Chair:

Denise Lewis-Fleming, CPA, CA

Committee Members:

Lauren McQuaid, CPA, CA

Emily Merrill, CPA, CMA

Rodney Payne, CPA, CGA

Ad Hoc By-Laws

Chair:

Karen Stanley, CPA, CA

Committee Members:

Darren MacAleer, CPA, CGA

Scott Ryan, CPA, CMA

Ad Hoc CGA Licensing

Chair:

Richard Corkum, FCPA, FCGA

Committee Members:

Paula Gallant, FCPA, FCGA

Blair Corkum, CPA, CA

INTRODUCTION

The period covered by this report is April 1, 2015 to March 31, 2016, which begins the proclamation of Bill 15, the Chartered Professional Accountants and Public Accounting Act.

Immediately prior to April 1, 2015, the three provincial accounting bodies (the Institute of Chartered Accountants of PEI (ICAPEI); Certified Management Accountants Society of PEI (CMAPEI); and Association of Certified General Accountants of PEI (CGA-PEI) were operating under the CPAPEI Joint Venture Agreement.

This document reports on the specific results and statistics for the year ended March 31, 2016.

As of April 1, 2015, ICAPEI, CMAPEI, and CGA-PEI no longer existed, with all assets, liabilities, and responsibilities assumed by CPAPEI, including the regulation of any outstanding matters that existed within the legacy bodies at the time of proclamation.

PROFILE

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.

Canadian Context

CPA bodies now exist in all Canadian provinces, and the Canadian CPA profession has harmonized requirements and regulatory practices across the country wherever possible.

CPA Canada represents over 200,000 professional accountants.

Governance

CPAPEI's board of directors governs the CPA profession in Prince Edward Island and develops policy supporting CPAPEI's objectives.

As a self-regulating organization, CPAPEI takes its commitment to protecting the public interest very seriously.

CPAPEI's board presently comprises six CPA, CAs, three CPA, CGAs, two CPA, CMAs, and one public representative, approved by the provincial government.

The board has appointed nine committees to oversee matters:

1. Continuing Professional Development
2. Discipline
3. Education
4. Finance and Audit
5. Human Resources
6. Investigation
7. Marketing and Member Services
8. Practice Inspection
9. Public Practice and Membership

These nine committees manage CPAPEI's processes, which were developed by reference to legacy body best practices and designed to meet or exceed Canadian and international standards.

There are also two ad-hoc committees to address specific requirements of CGA Licensing during transition and By-Laws of the organization.

NEW GOVERNING DOCUMENTATION

CPAPEI's regulatory processes are governed by the CPA Act, Regulations and Bylaws. These documents and processes are described more fully on CPAPEI's website.

CPAPEI Act and General Regulations

The *Chartered Professional Accountants and Public Accounting Act* was proclaimed on April 1, 2015. This Act created the Chartered Professional Accountants of Prince Edward Island (CPAPEI) and all professional accountants in PEI now fall under this Act. The General Regulations, which set out the prescribed requirements from the Act, were created as well.

Restricting the Practice of Public Accounting to CPAs

No person, other than a licensed CPA member, may practice public accounting or hold themselves out to be a public accountant.

Only a licensed CPA member, may issue any form of opinion, advice, counsel or interpretation with respect to information related to a financial statement or any part of a financial statement, on application of:

- An Assurance or Compilation Engagement as defined by the Chartered Professional Accountants of Canada Handbook;
- Specified auditing procedures, as defined by the Chartered Professional Accountants of Canada Handbook;
- Forensic accounting, financial investigation or financial litigation support;
- Preparation of a tax return in conjunction with a service above.

This ensures that only regulated accountants provide assurance under the CPA Canada Handbook Standards.

Restricting the Use of the Designation "Chartered Professional Accountant" or the Initials "CPA"

Under the CPA Act only members of CPAPEI may use the designation "Chartered Professional Accountant" ("CPA"). The public can now rest assured that anyone holding themselves out as a public accountant is held to high ethical and regulatory standards. This protects the public interest and reduces confusion in the marketplace.

Renewal of a Public Accounting License

Application for the Renewal of a public accounting license must now be accompanied by confirmation that the member has completed at least 1250 chargeable hours of practice as a public accountant within the immediately preceding five years. This new requirement will be phased in over 3 years.

This requirement will ensure that only those accountants maintaining their experience can practice public accounting.

CPAPEI Bylaws

Bylaws represent the high-level powers of CPAPEI.

The board approved new CPAPEI Bylaws after an extensive process that included input from legal counsel, a volunteer committee, and the executive management committee, and required prior approval by the transitional steering committee and the legacy body boards/council.

These by-laws must now be ratified by the membership.

CPAPEI Code of Professional Conduct

CPA bodies across Canada developed the Code of Professional Conduct (Code) from international standards and legacy best practices. The Code includes a Preamble and the Rules of Professional Conduct.

CPAPEI has adopted this Code with a few modifications to address provincial considerations.

The Code is derived from five principles of ethics that are fundamental to the conduct of all members.

They are:

- Professional behaviour;
- Integrity and due care;
- Objectivity;
- Professional competence; and
- Confidentiality.

It is recognized that this Code will evolve as national and international standards and best practice continue to change.

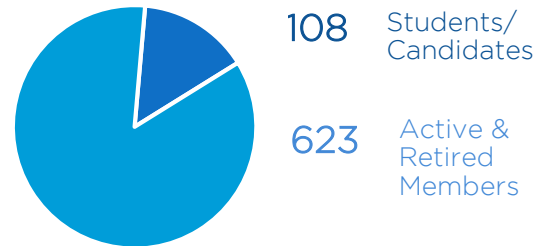
CPAPEI's members have a responsibility to act in the public interest. The public relies on sound and fair financial and management reporting, and providing these essential reports is an economic imperative and a critical obligation of the profession.

OUR MEMBERSHIP

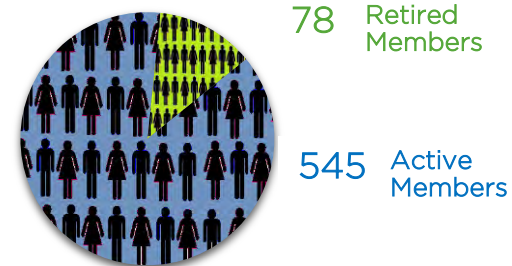
Membership at a Glance

At March 31, 2016, CPAPEI had 623 CPA Members and 108 Students/Candidates pursuing an accounting designation in either the Professional Education Program (PEP) or the Pre-Requisite Educational Program (PREP).

Students/Candidates and Active & Retired Members



ACTIVE & RETIRED MEMBERS



Membership Changes 2015-2016

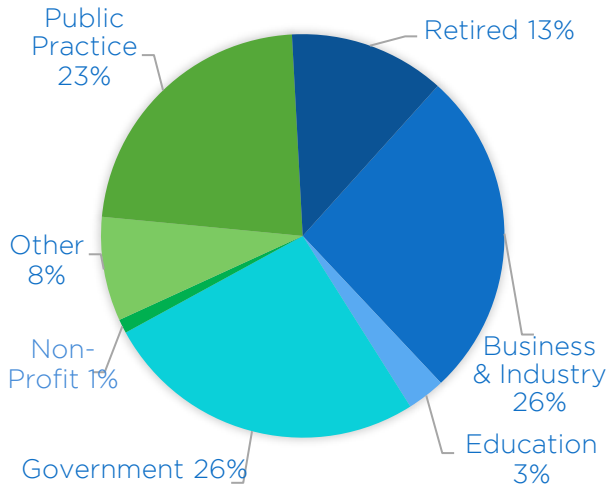
	Active	Retired	Total
<i>April 1, 2015</i>	530	78	608
New Members	18	0	18
Transfers In	10	1	11
Transfers Out	-5	0	-5
Retirements	-3	3	0
Resignations	-5	-1	-6
Suspensions	-1	0	-1
Other	1	-3	-2
March 31, 2016	545	78	623

There are 31 Professional Corporations registered with CPAPEI, which includes 2 new professional corporations approved during the period under report.

Membership Directory

The Membership Directory is available online at cpapei.ca, and indicates which members are licensed to practice public accounting.

Where CPAPEI Members Work 2015-2016



PROTECTING THE PUBLIC

Continuing Professional Development

CPAPEI builds on its professional education program with robust mandatory Continuing Professional Development (CPD) requirements. Continuous education is a cornerstone of the profession, and enables members to develop and maintain professional competence.

CPD includes seminars, workshops, courses, and other activities that update the professional knowledge, skills, and values of a CPA. Qualifying courses may be provided by CPAPEI or others.

CPAPEI's professional development program was designed to meet the needs of its members. In 2015-2016,

CPAPEI held 15 in-person courses, which were attended by 190 participants. These courses are also available to non-members.

Throughout the year, CPAPEI made available to its members 26 Live Broadcast Webinars, 15 Interactive Online Seminars, 8 e-Learning courses, 10 AudioWeb courses, and 4 Lunch and Learn Sessions.

In addition, CPA Canada's on-line professional development offerings allow members to access hundreds of verifiable CPD hours anytime, anywhere.

Professional development compliance is an important part of the professional commitment of CPA members, and maintaining these standards is one of CPA Canada's obligations as a member of the International Federation of Accountants (IFAC), and one of CPAPEI's requirements under our legislation.

The minimum requirement established by CPAPEI is consistent with the IFAC's standard of 120 hours every three years, with an annual requirement of 20 hours. January 1, 2016 began a new three-year rolling reporting cycle.

Active members are required to self-report compliance with CPD, and 92% of CPAPEI's members comply with the requirements by the deadline. Action is taken against those members who do not comply.

Regardless of income level, retired members who continue to earn income from their designation **must** continue to meet the CPD requirements of an active member, and if they are providing public accounting services, **must** maintain a license to do so.

CPAPEI randomly selects 10% of members for audit annually. Members who do not comply with the CPD audit process risk being referred to the CPAPEI investigation and discipline processes, where they could have their membership suspended or cancelled for non-compliance.

CPD helps accountants develop and maintain professional competence that is relevant to their roles, and is an important element in maintaining public confidence and trust in CPAs.

In addition, CPAPEI hosted its' inaugural member information event in December 2015, as well as a summer social to recognize recent graduates.

Regulation of Public Practice and Licensed Members

There were 134 practitioners and partners operating in 28 public practice firms in PEI as at March 31, 2016.

Practice Licensing

Those in public practice must be licensed and overseen by the governing body. They are required to carry minimum levels of professional liability insurance.

Practice Inspections

Members in public practice are required to undergo mandatory practice inspections.

These inspections support compliance with professional standards and provide practitioners with guidance and education based on the results.

The practice inspection program is an important part of ensuring that public practitioners maintain the knowledge, skill, and proficiency to provide the highest level of service to their clients.

Public practice firms are reviewed no less frequently than once every three years. Where deficiencies are noted, re-inspections may be required and corrective measures put in place.

Sanctions may be imposed in cases where there are more serious issues. There were 8 practice reviews

conducted this past year; 6 passed and 2 received a recommendation for follow-up, which will take place in fall 2016.

CPAPEI communicates summary results of these practice reviews to all practitioners for educational purposes.

Professional Conduct – Discipline and Investigation

Complaints

As a profession built upon integrity and public trust, CPAPEI has a formal complaint process to address concerns about the professional conduct of its members, firms, former members and firms, and students/candidates.

It's a reflection of the integrity of the membership that there were only 2 complaints received in the 12-month period ended March 31, 2016.

Members of the public who want to register a complaint can do so by contacting CPAPEI.

Investigation and Discipline Processes

CPAPEI's investigation and discipline processes are governed by the CPA Act and Bylaws. Through these processes the public or CPAPEI members can file complaints against students/candidates and current or former members, or firms. CPAPEI must then investigate and sanction as appropriate.

Two committees oversee the investigation and discipline processes:

- Investigation Committee; and
- Disciplinary Committee.

Upon receipt of a complaint, a preliminary review is conducted to determine if it falls within CPAPEI's jurisdiction. If it does not, the complaint is dismissed.

Complaints related to member fee disputes do not fall within the committee's jurisdiction.

Investigation Process

If a complaint falls within CPAPEI's jurisdiction, the member under investigation is notified and they are provided with supporting materials and information about the process.

A copy of the complaint or a summarized version of the complaint is also usually provided to the member.

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.

Education and Qualification

CPA Atlantic School of Business (CPA ASB) delivers the new CPA Professional Education Program ("CPA PEP") and the Prerequisite Education Program ("CPA PREP") on behalf of CPAPEI.

CPA ASB has assumed the mandate of overseeing the pre-certification education and practical experience verification for Atlantic Canada and Bermuda's professional accountants by providing a professional, post baccalaureate, co-operative educational program in accordance

with national standards. Generally, a candidate will take two years of intensive, part-time courses and examinations coupled with 30 months of relevant practical experience to become a CPA.

Those wishing to qualify for a public practice license will have to complete at least 1250 chargeable hours of experience in assurance, including at least 625 hours in attestation and at least 100 hours in taxation.

At March 31, 2016, there were 51 PEI Candidates registered with CPA Atlantic representing those in the professional CPA PEP part of the program and 57 PEI Students registered, which represents those in the CPA PREP Program.

CPA Atlantic 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.

The legacy programs completed their operations and all legacy CA and CMA candidates have completed the program. There are three legacy CGA candidates fulfilling the requirements for membership.

Expansion of Training Opportunities

The new CPA certification program includes two training routes - the pre-approved program route and the experience verification route - for gaining practical experience that meets the requirements and standards of the profession. Pre-approved program positions are offered by offices/organizations that have progressive career paths established to meet the experience requirements of the CPA program and are approved by the profession. The experience verification route is student driven, with the student ensuring they are getting the needed progressive experience, working with a CPA mentor approved by the profession.

There were 13 pre-approved programs in PEI at March 31, 2016.

Information sessions were held to educate employers and students regarding the training pathways for the CPA program.

CPA Atlantic Information Sessions Hosted in Prince Edward Island 2015-2016

Session Type	# Sessions
High-school info sessions	6
University/college info sessions	7
Public info sessions	11
Employer info sessions	3
Total sessions	27
Total number of participants	320

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 at cpapei.ca/en/members/professional-opportunities.

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.

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.

In early December 2015, CPA Canada offered training to CPAPEI members interested in participating in this initiative, to prepare them to offer face to face sessions to targeted audiences, including adults, workplaces, new Canadians, students, small and medium sized businesses and entrepreneurs.

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

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.

Awards

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

The awards given at UPEI are:

- *Chartered Professional Accountants of PEI Prize for the Highest Aggregate*, awarded to the student with highest aggregate in the final two years in the accounting program who is entering the CPA profession;
- *Chartered Professional Accountants of PEI Prize for Leadership*, awarded to a graduating student who maintains an average of at least 75% in the final two years in the accounting program, is actively involved in the University community at political or committee

level, is considered a team player and assists others in achieving their goals;

- *Chartered Professional Accountants of PEI Prize for Intermediate Accounting*, awarded to the student with the highest combined average in Accounting 301 and 302.
- *The Albert M. Ferris Award*, awarded to a student entering third year in the Accounting Specialization, who had a high academic achievement in Accounting 202, demonstrates leadership, professionalism, team building and mentorship of his or her peers and intends to pursue a career as a Chartered Professional Accountant. Preference given to international students.
- *Society of Management Accountants of Prince Edward Island Legacy Award*, granted to the graduating student with the highest average mark in Cost Accounting, currently Accounting 411 & 412.

The award presented at Holland College is:

- *The Chartered Professional Accountants Association of PEI scholarship*, awarded to Prince Edward Island student in their second year of the Holland College Accounting Technology program, based on their achievement in the Accounting Technology program.

The Value of a CPA Campaign

In the Fall 2015 edition of the CPAPEI newsletter, members were invited to share their success stories. Members were given the opportunity to help spread awareness of unification and the value of the now larger, more influential profession by telling the story in their own words.

Seven CPAPEI members were interviewed and photographed sharing their stories, which were subsequently featured in our newsletters, rotary ads, published on our website, and printed on cards for distribution at educational recruiting events.



FINANCIAL REPORTING



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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, 2016, 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, 2016, 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.

Chartered Professional Accountants

Summerside, Prince Edward Island
June 23, 2016

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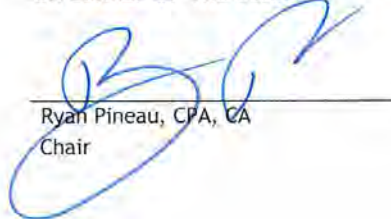
CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2015-2016

Chartered Professional Accountants
Of Prince Edward Island
STATEMENT OF FINANCIAL POSITION
As at March 31, 2016

	2016	April 1, 2015
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 357,188	\$ 309,757
Accounts receivable	53,944	39,626
Harmonized sales tax receivable	3,482	11,508
Interest receivable	1,467	3,930
Prepaid expense	4,424	1,562
Loan to CPA Atlantic School of Business	15,828	15,828
	436,333	382,211
CAPITAL ASSETS	1	1
	\$ 436,334	\$ 382,212
LIABILITIES		
CURRENT		
Payables and accruals	\$ 67,862	\$ 31,049
Payroll remittances payable	5,693	3,477
Unearned revenue	11,491	24,713
	85,046	59,239
RESTRICTED NET ASSETS (Note 4)	1,000	1,500
UNRESTRICTED NET ASSETS	350,288	321,473
	\$ 436,334	\$ 382,212

ON BEHALF OF THE BOARD



 Ryan Pineau, CPA, CA
 Chair



 Doug Ezeard, CPA, CA
 Treasurer

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2015-2016

Chartered Professional Accountants
Of Prince Edward Island
STATEMENT OF OPERATIONS AND UNRESTRICTED NET ASSETS
For the Twelve Months Ended March 31, 2016

	2016	Unaudited Budget
REVENUES		
Members' fees		
Provincial	\$ 235,027	\$ 227,160
CPA Canada (Note 3)	191,181	178,980
Practitioners	12,320	12,750
Professional corporations	3,220	2,875
Admission	2,825	2,583
	<u>444,573</u>	<u>424,348</u>
Less remitted to CPA Canada (Note 3)	(191,181)	(178,980)
	<u>253,392</u>	<u>245,368</u>
Self-funding activities (Note 6)	123,190	92,500
Interest income	2,444	2,000
Other Income	386	-
	<u>379,412</u>	<u>339,868</u>
EXPENSES		
Atlantic region officers group	-	1,000
Awards	2,500	2,500
Board meetings	1,864	3,000
Convocation, net of recoveries	7,109	16,000
Equipment	4,975	3,500
Information technology	9,850	4,000
Insurance	4,003	6,000
Member meeting, net of recoveries	3,918	4,000
Office	12,484	20,000
Other committees	2,771	2,000
Professional fees	10,205	10,000
Public relations and social activities	13,008	12,000
Rent	16,350	15,600
Salaries and benefits (Note 5)	138,609	143,000
Self-funding activities (Note 6)	98,617	73,500
Share of CPA Canada education expenses (Note 3)	7,500	-
Share of CPA Canada profession expenses (Note 3)	13,025	14,875
Telephone	2,711	4,000
Travel	1,598	4,000
Unification costs	-	5,000
	<u>351,097</u>	<u>343,975</u>
INCOME FROM OPERATIONS	<u>28,315</u>	<u>(4,107)</u>
UNRESTRICTED NET ASSETS		
BEGINNING OF YEAR	321,473	-
Assets unrestricted during the year (Note 4)	500	-
END OF YEAR	<u>\$ 350,288</u>	<u>\$ (4,107)</u>

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2015-2016

Chartered Professional Accountants
Of Prince Edward Island
STATEMENT OF CASH FLOWS
For the Twelve Months Ended March 31, 2016

	2016
OPERATING ACTIVITIES	
Income from operations	\$ 28,315
Change in non-cash working capital items	
Accounts receivable	(14,318)
Harmonized sales tax receivable	8,026
Interest receivable	2,463
Prepaid expense	(2,862)
Payables and accruals	36,813
Payroll remittance payable	2,216
Unearned revenue	(13,222)
Net cash provided (used) in operating activities	19,116
NET CHANGE IN CASH AND CASH EQUIVALENTS	47,431
CASH AND CASH EQUIVALENTS	
BALANCE, BEGINNING OF YEAR	309,757
BALANCE, END OF YEAR	\$ 357,188

Chartered Professional Accountants
Of Prince Edward Island
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2016

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.

Cost Recoveries

Cost recoveries resulting from Discipline Committee orders are recognized when received.

Cash and Cash Equivalents

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

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 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. Related Parties

Governance of the profession and its members is shared among the Chartered Professional Accountants of Canada (CPA Canada) and individual provincial, territorial and Bermuda organizations in accordance with a protocol agreement. CPA PEI's share of this for 2015/16 was \$13,025.

**Chartered Professional Accountants
 Of Prince Edward Island
 NOTES TO THE FINANCIAL STATEMENTS
 March 31, 2016**

3. Related Parties (continued)

The National portion of annual member fees is collected by CPA PEI and remitted to CPA Canada. This amounted to \$191,181 for 2015/16.

Costs of inter-provincial education services and national administration administered by CPA Canada are charged back to the provinces based on share of membership. CPA PEI's share of this for 2015/16 was \$7,500.

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 restricted \$1,500 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

During the course of the year, the Organization enrolled in CPA Canada's defined contribution pension plan. The total pension expense for the year was \$1,598 and is included in salaries and benefits.

6. Self-Funding Activities

	2016
Revenues	
Professional Development	\$ 74,439
Practice Inspection	42,869
Uniform final evaluation	4,000
Golf day	1,882
	\$ 123,190
 Direct Costs	
Professional Development	48,140
Practice Inspection	42,869
Uniform final evaluation	5,771
Golf day	1,837
	\$ 98,617

BUDGET 2016-2017

CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

ANNUAL REPORT 2015-2016

Chartered Professional Accountants of Prince Edward Island Budget for the year ended March 31, 2017

Revenue

Provincial fees	251,345
National fees	197,220
Interest and penalties	1,500
Professional development	60,000
Practice Inspection	-
Golf day	2,500
UFE\student fees	-
Convocation	3,000
	515,565
Less: National Fees	197,220
Net Revenue	318,345

Expenses

Levies by CPA Canada	14,875
Convocation\Student Mixer	12,000
Equipment	1,000
Financial Literacy program	3,000
UFE	-
Social	3,000
Members Luncheon (net of revenue)	5,000
CFE Prize	500
Insurance	4,000
Legal and audit	9,500
Information Technology	4,000
Board Meetings	3,000
Atlantic Regional Forum	1,000
Annual General Meeting	4,000
Golf day	3,000
Travel	7,000
Office and administration	12,000
Other committees	2,000
Practice inspection	-
Prize UPEI and Holland College	2,500
Professional development	50,000
Public relations	10,000
Rent	17,000
Telephone	4,000
Unification	-
Wages and benefits	145,900
	318,275
	70





Chartered Professional Accountants of Prince Edward Island

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