

# ANNUAL REPORT 2020-2021



RESILIENCE | ADAPTATION | LEADERSHIP



**CPA**

CHARTERED  
PROFESSIONAL  
ACCOUNTANTS  
PRINCE EDWARD ISLAND



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## MESSAGE FROM THE CHAIR

In the past year CPAPEI and the profession have continued to adapt to the new normal while operating within the COVID-19 worldwide pandemic. I continue to urge each of you to use these challenges to find opportunities for strength and growth both personally and professionally while also supporting other Islanders during these unprecedented times.

During the past year, CPAPEI has continued to provide members with information and support to assist with operating under a pandemic, while also providing support as members try to adjust to a new normal.

For much of last year, the CPAPEI board continued to meet and operate virtually to ensure that all the necessary work was completed to support the public, members, and profession. Work has continued on the strategic plan initiatives. In addition, CPAPEI, in partnership with other provinces, was able to offer very successful virtual offerings of professional development. We have received very positive feedback on the way that the professional development was completed this past year. Work has begun in regards to what next year's offering will look like and the membership will receive this information in the near future.

Nationally, the work on the review and renewal of the Collaboration Accord has continued. There has been significant time and effort put into this agreement by many groups and individuals and we will continue to collaborate, support and assist with the completion of the renewed agreement between all partners and stakeholders.

Since the technological issues that were experienced with the 2019 Common Final Exam, the profession has worked together to ensure the processes and procedures for the exams were reviewed and enhanced. It was also critical that the pandemic did not affect the ability of candidates to write the exam, so measures were put in place to protect the health and safety of all writers as well as the integrity of the exam.

CPAPEI continues to have a number of active committees of the Board which carries out important work for the organization and profession. 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 Doug Ezeard, Rodney Payne, David Arsenault and Shawn Murphy for their service to the profession.

Respectfully,



Becky Chaisson, CPA, CMA



Becky Chaisson, CPA, CMA  
Chair

MEMBERS OF THE EXECUTIVE & BOARD OF DIRECTORS  
2020-2021



**Executive Committee:**

Becky Chaisson, CPA, CMA — Chair  
Rodney Payne, CPA, CGA — Vice Chair  
Doug Ezeard, CPA, CA — Secretary/Treasurer  
Dennis Carver, CPA, CA — Executive Committee

**Members at Large:**

David Arsenault, CPA  
Travis Bertram, CPA, CA  
Kristen Dunsford, CPA, CGA  
Denise Lewis-Fleming, CPA, CA  
Angela MacDonald, CPA, CMA, MBA  
Amy McQuillan, CPA, CMA  
Luke Rowledge, CPA, CA

**Public Representative:**

Shawn Murphy, PC, QC

**Staff:**

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

# CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND ANNUAL REPORT 2020-2021

## 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  
Bertha Jay, CPA, CMA  
Scott Messervey, CPA, CA, MPAM  
Kimberley Norgarrd, CPA, CA

### Finance and Audit

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

### Human Resources

Blake Crockett, CPA, CA, *Chair*  
Becky Chaisson, CPA, CMA  
Travis Bertram, CPA, CA

### Investigation

Cleve Myers, FCPA, FCA, *Chair*  
Wayne Beaton, FCPA, FCA  
Tony Hansen, CPA, CA  
Lindsay Power, CPA, CMA, MBA

### 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  
Rodney Payne, CPA, CGA

### Representatives on Regional Boards/Committees

#### Atlantic Regional Forum

Becky Chaisson, CPA, CMA  
Tanya O'Brien, CPA, CA  
Rodney Payne, CPA, CGA

### Marketing and Member Services

Angela MacDonald, CPA, CMA, MBA, *Chair*  
Jenna Bysterveldt, CPA, CA  
Janell MacDonald, CPA, CA, *Brand Ambassador Program*  
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*  
Peter Baglolle, 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*  
David Arsenault, CPA  
Lauren McQuaid, CPA, CA  
Rodney Payne, CPA, CGA  
Ryan Power, 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

### CPD Standing

### Council of Chief Executives

### Professional Learning Development Programs

Tanya O'Brien, CPA, CA

### Collaboration Accord Review Task Force (CARTF)

Becky Chaisson, CPA, CMA

### CPA Atlantic School of Business

Lindsay Power, CPA, CMA, MBA  
Tanya O'Brien, CPA, CA

### INTRODUCTION

The period covered by this report is April 1, 2020 to March 31, 2021 (the current year). CPA Prince Edward Island has completed its' 6th year as a unified profession, as our Legislation, the *Chartered Professional Accountants and Public Accounting Act*, was proclaimed April 1, 2015.

### 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.

### Governance

The public interest is at the forefront of policy development by CPAPEI's Board. The 12-person board is made up of eleven members plus one public representative.

Six board-appointed standing committees oversee regulatory matters:

- 1) Continuing Professional Development
- 2) Discipline
- 3) Investigation
- 4) Marketing and Member Services
- 5) Practice Inspection
- 6) Public Practice and Membership

As well as managing the unique issues affecting CPAs, the organization works in partnership with the other provincial bodies of Chartered Professional Accountants and the Chartered Professional Accountants of Canada (CPA Canada) to develop national policies for critical profession-wide functions such as public trust, strategic planning for the profession, education and qualification, standard setting, branding and communications.

### New Board Members

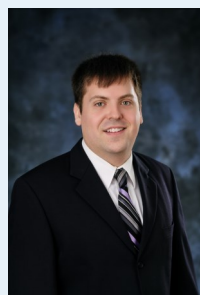
At the 2020 Annual General Meeting, two new Board Members were appointed.

#### Angela MacDonald, CPA, CMA, MBA

Angela started her career in corporate finance, and now owns and operates a management consulting business. Angela provides CFO services; assists entrepreneurs with developing comprehensive business plans; conducts feasibility studies and/or planning/funding for community organizations; and assists organizations with policy development and forward-looking planning.



#### Travis Bertram, CPA, CA



Travis began his career in public practice with BDO Canada LLP where he worked for 8 years before moving to industry as Corporate Controller with Amalgamated Dairies Limited. In his current role, he is responsible for financial reporting, internal audit, internal controls, strategic planning, and providing leadership and support to accounting staff at all company locations.

## CPAPEI's STRATEGIC GOALS

Fiscal 2020-2021 marked the completion of the implementation of CPA Prince Edward Island's three year strategic plan. This plan, developed and endorsed by the CPAPEI Board, outlined four strategic priorities for the organization:

### Public /Member Awareness and Education



CPAPEI will protect the public by implementing regulation effectively, and increase public awareness of the role of the CPAPEI in protecting the public, and other roles and responsibilities of CPA professionals.

### Robust, Diverse, and Engaged Membership



CPAPEI will support the needs of its members and students by providing relevant and valued services, including high-quality education. We will strive to increase the membership's awareness of the role of CPAPEI and expand the work of CPAPEI through increased member participation in committees and activities.

### Recognized Thought Leader



CPAPEI will provide leadership on business and accounting matters to the public and profession by promoting thought leadership and providing a valued contribution in national collaboration. We will work to ensure that employers recognize the value of the CPA designation and understand the benefits of hiring a CPA.

### Foster Organizational Effectiveness



CPAPEI will improve organizational effectiveness by working with other CPA organizations to determine best practices and to ensure that we offer the most efficient services to members.



### CPAPEI's PROFILE

#### Protecting the Professional Accountant Designation

Under the *Chartered Professional Accountants and Public Accounting Act* only members of CPAPEI are recognized as having the requisite level of training, education, and proficiency to qualify them to practice as professional accountants in Prince Edward Island.

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.

#### Characteristics of a Profession

Distinguishing elements of a regulated profession and professionals:

- ◆ Extensive training and education leading to mastery of a particular intellectual skill.
- ◆ Objective offering of services to others and accepting the responsibility of putting the public good above one's own interests.
- ◆ Belief in the duty of exchanging views and contributing to the development of the profession, adding to its knowledge, and sharing advances in knowledge and technique with peers.
- ◆ Accountable and governed by peers, and the regulatory body maintains standards of qualification, attests to the competence of individual members, and safeguards and develops the skills and standards of the profession.
- ◆ Specialized code of ethical conduct designed principally for the protection of the public.

CPAPEI's training and regulatory processes ensure that our members meet the required professional standards, and the expectations of the public.

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.

#### Did you know?

If CPA Prince Edward Island becomes aware of an individual providing services restricted to CPA's, the organization takes action against the individual.

### PROTECTION OF THE PUBLIC

#### CPAPEI's 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.

#### Proactive Approach to Regulation

CPAPEI's regulatory activities include membership, continuing professional development, public practice licensing and review, and professional conduct.

Effective regulation includes proactive and reactive activities that are provided through education or adjudication.

Proactive activities: are focused on preventing problems from occurring and include having only qualified people admitted to membership, ensuring members complete required professional development, and public practice licensing and review.

Reactive activities: occur after a problem has surfaced. The Investigation and Disciplinary committees determine if there was a breach of the Bylaws or rules, and if yes, recommend sanctions. These are the final regulatory steps and are necessary only when all else fails.

#### Rule 216 Commission and other compensation arrangements

A new Rule 216 *Commission and other compensation arrangements* was approved by the Board of CPA Prince Edward Island on January 30, 2020, for inclusion in the CPA Code of Professional Conduct ("CPA Code"), effective July 1, 2020.



Rule 216 *Payment or receipt of commissions*, was repealed effective June 30, 2020.

### Practice Review

Members in public practice are required to undergo mandatory practice reviews. These reviews focus on compliance with professional standards and provide CPAs with guidance and education based on the results.

The 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, and are aware of and meeting any changing regulatory standards.

Public practice firms are generally reviewed once every three years. Where deficiencies are noted, re-inspections may be required and corrective measures put in place.

### Continuing Professional Development (CPD)

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

Professional development compliance is an important part of the professional commitment of CPA members. Maintenance of CPD standards is one of CPA Canada's obligations as a member of the International Federation of Accountants (IFAC).

The minimum requirement established by CPAPEI is 120 hours every three years, with an annual requirement of 20 hours, and 4 hours of professional ethics in every 3 year cycle.

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.

### Discipline Process

CPAPEI investigated complaints received against members/firms. Complaints may be initiated by the public, the Registrar, or another member as required under ROPC 211, Duty to Report.

Complaints follow the process as laid out in the CPA Act. When a complaint is referred to Discipline Committee, a hearing is scheduled. The hearing is open to the public and publicized through the CPAPEI website.

Members should note that CPAPEI is required to notify a member's employer of an order made by the Investigation or Discipline Committee.

### Practice Inspection 2020

Practice Inspections transitioned to being conducted remotely in 2020 in order to facilitate reviews during the pandemic.

85% 

of firms met the program requirements in 2020

### PD Compliance

95% 

of members comply by the CPD reporting deadline.

### Complaint, Investigation & Discipline

- 1 new complaint received
- 2 investigations authorized/outstanding
- 2 complaints/investigations resolved
- 1 complaint/investigation referred to discipline

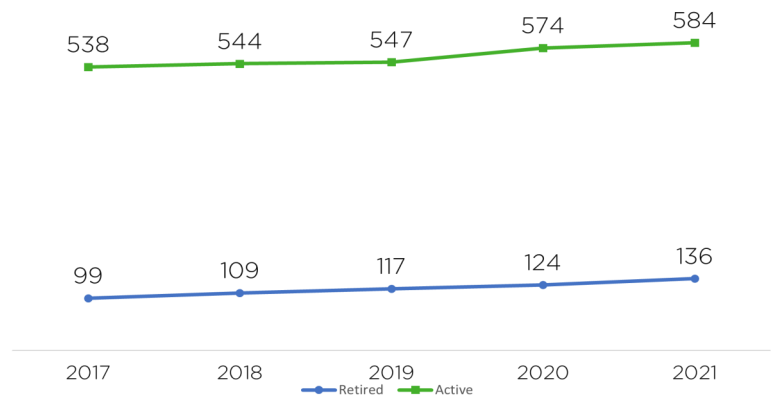
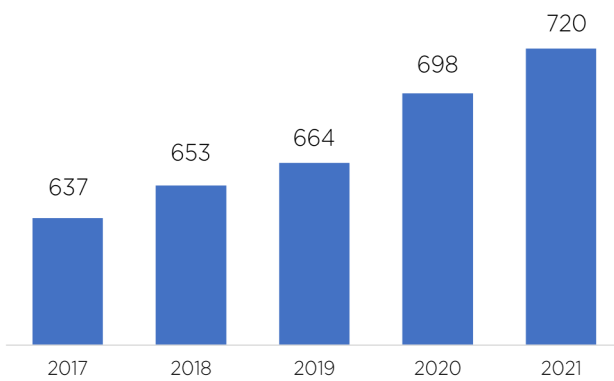
# CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND ANNUAL REPORT 2020-2021

## MEMBERSHIP

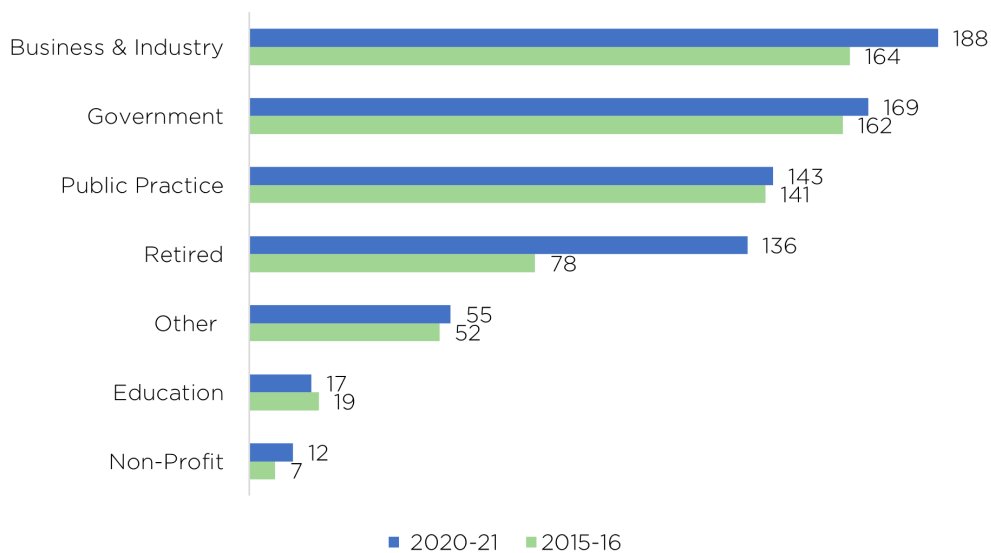
### 5 Year Trends

Total Membership 13% ↑

Retired Members 37% ↑  
Active Members 8% ↑



### Where CPAs Work: 2015/16 vs 2020/21



# CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

## ANNUAL REPORT 2020-2021

At March 31, 2021, CPAPEI had **720** CPA Members and **102** Students/Candidates pursuing an accounting designation in either the Professional Education Program (PEP) or the Pre-Requisite Educational Program (PREP).

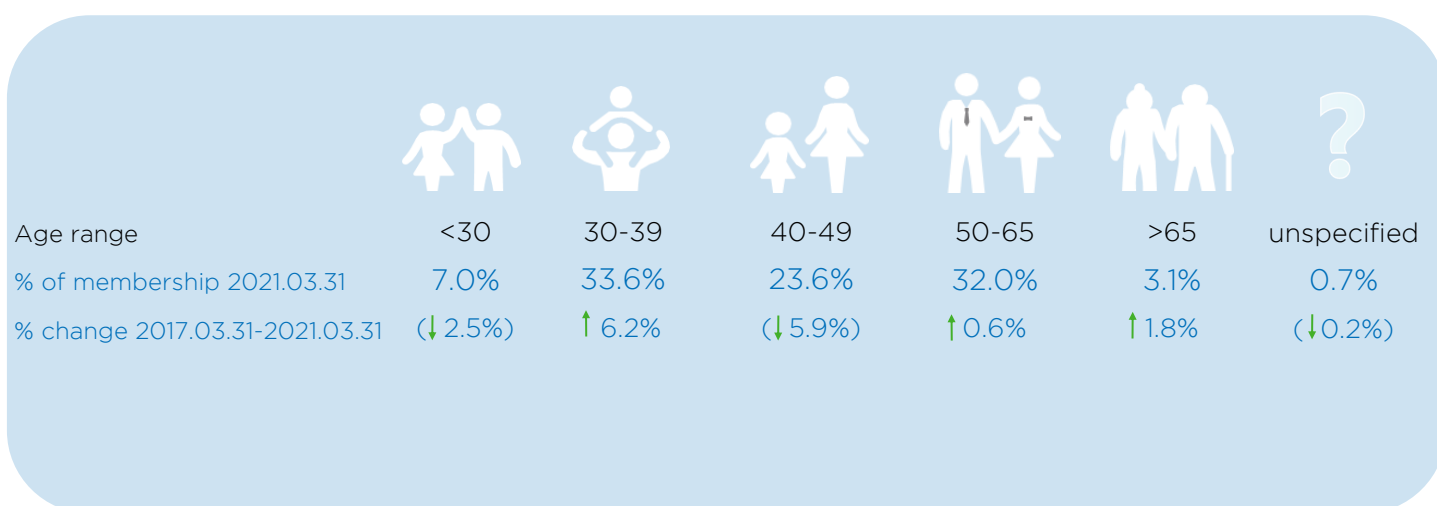
### Member Statistics for the Year Ended March 31, 2021

#### Member Changes During the Period

|  | Active     | Retired    | Total      |
|--|------------|------------|------------|
| <b>Membership at beginning of the year</b> | <b>574</b> | <b>124</b> | <b>698</b> |
| Admitted during the period by:             |            |            |            |
| Examination                                | 18         | 0          | 18         |
| Affiliation and Transfer in                | 19         | 0          | 19         |
| Readmissions/Reinstatements <sup>1</sup>   | 0          | 0          | 0          |
| Decrease in membership:                    |            |            |            |
| Deceased                                   | 0          | -5         | -5         |
| Resignations                               | -2         | 0          | -2         |
| Retirements                                | -17        | 17         | 0          |
| Transferred Out                            | -8         | 0          | -8         |
| <b>Membership at the end of the year</b>   | <b>584</b> | <b>136</b> | <b>720</b> |

<sup>1</sup>Retired members returned to active status

### Demographic Trends in CPAPEI Membership 2017-2021



# CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND ANNUAL REPORT 2020-2021

## Public Practice

Approximately 24% of CPAs worked in public practice, which included 129 members licensed to provide public accounting services.

These members operated in 29 public practice offices.

- ⇒ Any person who is practicing public accounting or holding themselves out to be a public accountant as defined in the *Chartered Professional Accountants and Public Accounting Act* is required to hold a license.
- ⇒ They are required to carry minimum levels of professional liability insurance and are subject to practice review.
- ⇒ All members licensed to practice public accounting must renew their license annually with CPAPEI by March 31.
- ⇒ A licensee who applies to renew his or her license to practice public accounting shall have completed 1,250 chargeable hours of practice as a public accountant within the immediately preceding five years.

## Licensed Members



● # Licensed Members    ● # Public Practice Firms

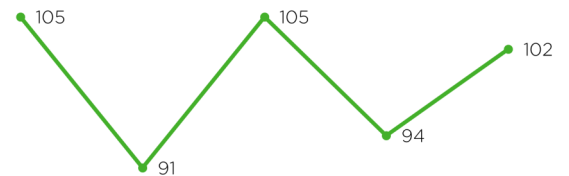
## Professional Corporations

41

Professional Corporations registered with CPAPEI in 2020-2021

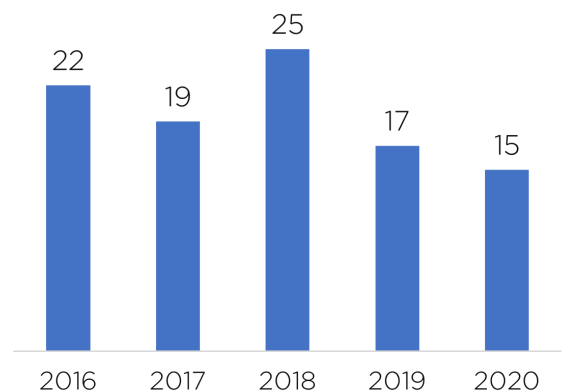
Up from 31 in 2016

## Students Pursuing an Accounting Designation



2017    2018    2019    2020    2021

## Successful CFE Writers (annually)



2016    2017    2018    2019    2020

## EDUCATION AND QUALIFICATION

### Common Final Exam

The national Common Final Exam was successfully delivered in September 2020 in a safe and physically distanced manner while retaining the rigor of the program requirements.

To ensure CPA candidates had the ability to write the CFE as previously scheduled, CPA Prince Edward Island worked with CPA Canada, CPA Atlantic School of Business and its provincial partners in order to write the exam in a safe and effective way.

All writers were hosted in their own hotel room for the duration of the exam, with invigilators in the hallway ensuring a smooth experience. Although it was a massive logistical undertaking for the profession with many more volunteers than what would be typical, the experience was applauded and the profession received positive feedback.

### Market Demand

Market demand for CPAs remains high, and with a tight labor market, employers find it challenging to recruit the talent they require. As CPAPEI is the only educator of professional accountants, attracting quality people to the profession and meeting demand is critical.

During the pandemic, recruiting and providing meaningful interaction with potential candidates proved difficult. The CPA Atlantic School of Business is updating its Labour Market Research Study to better understand the Atlantic market.

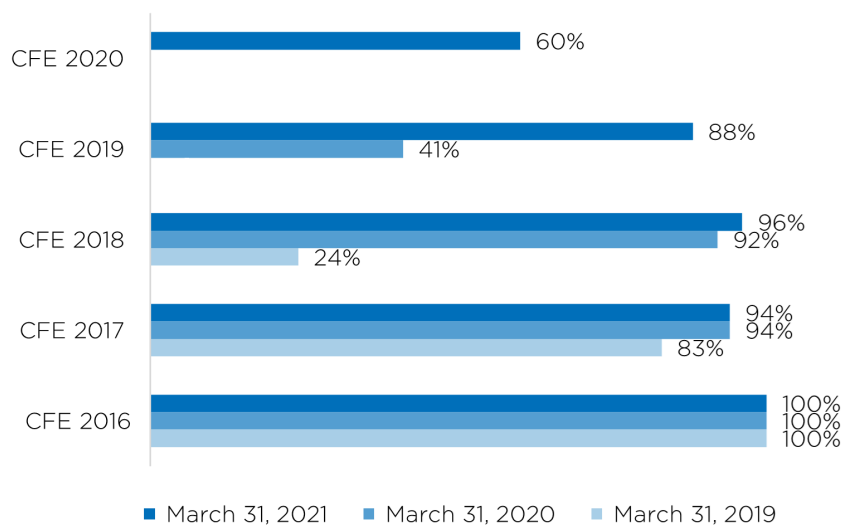
CPAPEI continues to provide an online job board highlighting careers and volunteer opportunities targeted to professional accountants in Prince Edward Island. We also share these opportunities through social media platforms.

### CFE Success

15 CFE writers achieved success on the 2020 Common Final Exam:

- \* Michael Clory
- \* Ashley Davidson
- \* Ryan Dunn
- \* Josie Jackson
- \* Rajesh Kaushall
- \* Fahad Khatri
- \* Jeremy Koughan
- \* Bradley MacDonald
- \* Matthew McKearney
- \* Nicole O'Donnell
- \* Madison Scott
- \* Matthew Wilkins
- \* Libo Yang
- \* Mei Ye
- \* Ming Zhong

### From CPA Studies to CPA Membership



## Professional Development

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

Through this virtual collaboration, we were able to offer 46 courses with course registrations totaling 568, resulting in a 41% increase over our typical fall in-person courses. On-demand and e-learning product offerings were also expanded, with members opting to participate in PD through CFI e-Learning, AudioWeb Podcasts, K2 Virtual courses and On-Demand Refresher courses.

With more remote/online learning opportunities, the PD program was able to reach and serve more members across the province.

In fiscal 2021, we offered 9 unique, free online webinars, with 297 free PD hours undertaken.

PD courses met the needs of members who work in all sectors of the economy. Some new titles this past year included: 5 Qualities of a Leader Who Thrives in a Crisis; Putting Ethics into Practice; Financial Storytelling: Transform Data into an Insightful Story; Protecting Yourself Online - Advice from a Professional Hacker; and How to Maximize Your Investment Returns.

The pandemic was a catalyst for change, and our PD program was able to meet the challenge, innovate, and maintain its place as a key provider of quality content to the membership.

## CPD Delivery 2020-2021

0



In-Person Seminars

46



Live Online  
Atlantic  
Collaboration

83



Live Broadcast &  
K2 Webinars

54



On Demand Refreshers  
& Recorded Webinars

18



E-Learning Courses

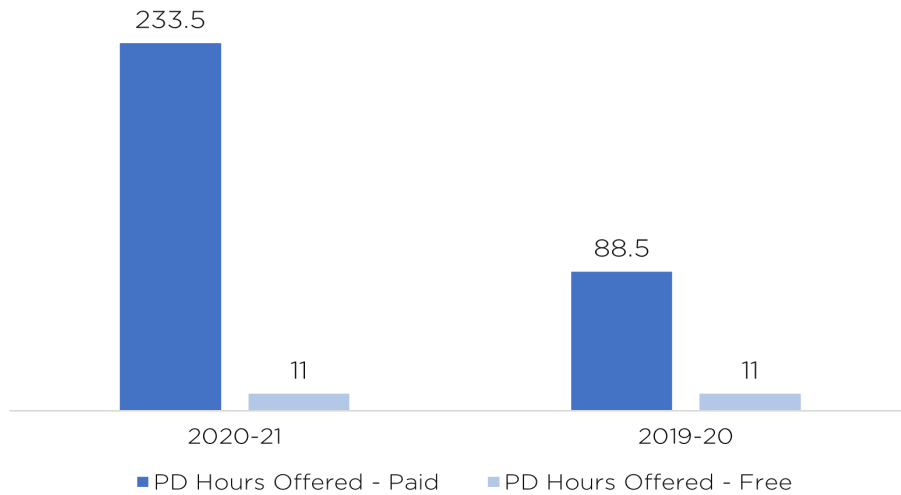
51



AudioWeb Podcasts



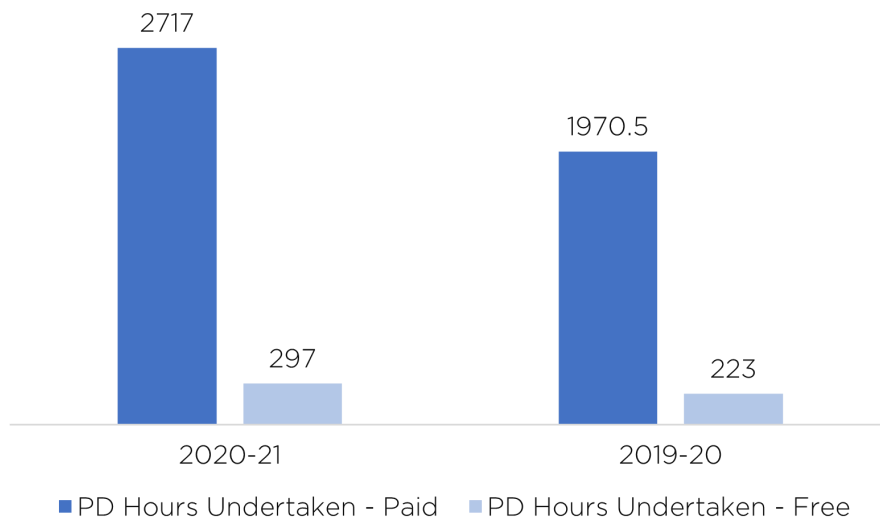
### Hours of PD Offered



CPA Prince Edward Island offered to members 233.5 hours of professional development training, plus the opportunity to undertake an additional 11 hours of free PD sessions.

Members engaged with CPA Prince Edward Island for 2,717 hours of paid professional development learning, with another 297 hours of training completed free of charge.

### Hours of PD Attended through CPAPEI



## MARKETING AND MEMBER SERVICES

### Communications and Social Media Engagement

CPAPEI's primary method of correspondence with members is via our bi-weekly e-news update. Some of the key topics included:

- ⇒ Membership updates and profiles
- ⇒ Changes in Accounting or Assurance Standards
- ⇒ Tax Updates
- ⇒ Members in the News
- ⇒ Professional Development Opportunities

We continue to post regular updates and share information on social media.

### Financial Literacy

All in-person Financial Literacy programming was cancelled for fiscal 2021. As programming moved to a virtual experience, CPAPEI promoted CPA Canada's online offerings.

Prince Edward Island had attendance of 395 at these free online offerings. The most heavily attended sessions were SME, Wellness, and The Road Ahead.

Our touchpoints with members were limited this year. We were able to facilitate a virtual Annual General Meeting, several free online PD sessions for members, and a convocation video for 2019 CFE writers. Our virtual new member session was held to inform new members about CPAPEI, how we function, what is required of a CPA member and answer any questions they have about the profession.

### National

CPA Prince Edward Island supported the activities of the Council of Chief Executives through participation in a number of committees, sub-committees and working groups again this year. The CPA Prince Edward Island CEO is a member of the Council of Chief Executives which oversees the management of the profession nationally, and she also participates on the Professional Learning and Development Program Committee. The involvement of CPAPEI staff in a number of national initiatives positions us well to better understand the issues facing the profession and ensures that our members have access to the most up-to-date professional standards and benefits, including the most recent professional development opportunities.

Evolving the profession continues to be a priority for the profession. Foresight is a major initiative of CPA Canada, which is engaging with members within the accounting community to develop their vision of the future of accounting. The profession is also adapting its education program with a proposed new competency map which will be rolled out in the coming years to ensure CPA's are receiving the education and training required for the future.

### Engagement



14,222 Users  
25,617 Sessions  
87,890 Pageviews



58 Communications  
32,406 Recipients  
57.3% Open Rate



164 Posts  
41,257 Impressions



119 Posts  
49,595 Impressions



40 Posts  
148 Followers

### COVID-19 IMPACT

#### Operational

March 31, 2020 fiscal year ended with considerable strain and unprecedented challenges to businesses and individuals including CPA Prince Edward Island, and these conditions continued throughout the year. Public health measures had a significant impact on CPA Prince Edward Island's operations and program delivery and required the organization to be adaptable and creative.

- ⇒ All professional development courses were moved to virtual offerings;
- ⇒ A virtual celebration of 2019 successful CFE writers along with new members;
- ⇒ The annual general meeting for 2020 was held virtually with record attendance.

#### Financial

These impacts also effected CPA Prince Edward Island financially with significant cost savings realized from reduced travel, meetings held virtually, social and member events moved to virtual offerings, staff moved to work from home and dedicated office space was vacated, and unfortunately, some planned initiatives were cancelled as a virtual alternative could not be accommodated. All of this resulted in costs savings which allowed the Board to approve a \$100 rebate per resident member towards their 2022 member dues.

COVID also highlighted the need for technology and although CPA Prince Edward Island has a member database system, an opportunity to transition to a purpose built Member Database System has been presented which will allow CPA Prince Edward Island to enhance service delivery to members and better meet member/organization needs going forward. Thus the Board has restricted \$40,000 in assets towards this project which will be implemented in fiscal 2022.

As the world continues to recover from the pandemic, the way we operate is changing. CPA Prince Edward Island is well positioned to adapt to these changes.

#### Net Asset Policy

The Unrestricted Net Asset Policy was adopted by the Board of CPA Prince Edward Island to establish the appropriate level of unrestricted net assets to be maintained to support CPA Prince Edward Island self-regulating and operational activities. The Board may set aside funds from an internally restricted fund for specific operating or capital requirements provided the fund's restrictions define the amount, specific purpose, and timeline within which the funds will be utilized.

CPA Prince Edward Island maintains an unrestricted net asset reserve between \$370,000 and \$450,000.

#### Support to Members

CPAPEI ensured members had relevant, timely information related to government programs and assistance for the COVID-19 pandemic.

This allowed members to better support their clients and employers.

As an essential service, the accounting profession was there to help businesses and individuals navigate through these challenging times.

#### 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:

- ◆ Hani Mayaleh

CPAPEI Leadership Award:

- ◆ Hani Mayaleh

CPAPEI Prize for Intermediate Accounting:

- ◆ Yuena Zhang

Society of Management Accountants of PEI Legacy Award:

- ◆ Jiangan Wang

##### *Award given at Holland College:*

CPAPEI Award in Accounting:

- ◆ Austin Stone

## 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 September 8, 2021



Tanya O'Brien, CPA, CA  
Chief Executive Officer

**FINANCIAL REPORTING**



Tel: (902) 436-2171  
Fax: (902) 436-0960

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

## 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, 2021, 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, 2021, 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.



Chartered Professional Accountants

Summerside, Prince Edward Island  
September 8, 2021


# CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

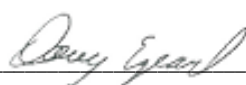
## ANNUAL REPORT 2020-2021

Chartered Professional Accountants of Prince Edward Island  
STATEMENT OF FINANCIAL POSITION  
As at March 31, 2021

|                                 | 2021       | 2020       |
|---------------------------------|------------|------------|
| <b>ASSETS</b>                   |            |            |
| <b>CURRENT</b>                  |            |            |
| Cash and Cash Equivalents       | \$ 593,382 | \$ 446,546 |
| Accounts Receivable             | 58,343     | 10,254     |
| Harmonized Sales Tax Receivable | 9,597      | 1,881      |
| Interest Receivable             | 9,569      | 1,074      |
| Prepaid Expenses                | 3,518      | 3,962      |
|                                 | 674,409    | 463,717    |
| <b>CAPITAL ASSETS</b>           | 1          | 1          |
|                                 | \$ 674,410 | \$ 463,718 |
| <b>LIABILITIES</b>              |            |            |
| <b>CURRENT</b>                  |            |            |
| Payables and Accruals           | \$ 132,119 | \$ 19,289  |
| Payroll Remittances Payable     | 8,490      | 5,486      |
| Unearned Revenue                | 100,383    | 46,295     |
|                                 | 240,992    | 71,070     |
| <b>EQUITY</b>                   |            |            |
| RESTRICTED NET ASSETS (Note 3)  | 40,000     | -          |
| UNRESTRICTED NET ASSETS         | 393,418    | 392,648    |
|                                 | \$ 674,410 | \$ 463,718 |

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_  
 Becky Chaisson, CPA, CMA  
 Chair

  
 \_\_\_\_\_  
 Doug Ezeard, CPA, CA  
 Treasurer



# CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

## ANNUAL REPORT 2020-2021

### Chartered Professional Accountants of Prince Edward Island STATEMENT OF OPERATIONS AND UNRESTRICTED NET ASSETS For The Year Ended March 31, 2021

|   | Unaudited Budget | 2021              | 2020              |
|---|------------------|-------------------|-------------------|
| <b>REVENUES</b>                                 |                  |                   |                   |
| Members' fees                                   |                  |                   |                   |
| Provincial                                      | \$ 278,425       | \$ 280,061        | \$ 266,246        |
| CPA Canada (Note 4)                             | 215,200          | 218,776           | 213,042           |
| Practitioners                                   | 14,000           | 15,900            | 15,800            |
| Professional Corporations                       | 3,680            | 4,255             | 4,080             |
| Admission Fees                                  | 3,000            | 9,290             | 11,200            |
|   | <u>514,305</u>   | <u>528,282</u>    | <u>510,368</u>    |
| Less remitted to CPA Canada (Note 4)            | (215,200)        | (218,776)         | (213,042)         |
|   | 299,105          | 309,506           | 297,326           |
| Self-Funding Activities (Note 6)                | 112,750          | 125,069           | 104,125           |
| Interest Income                                 | 2,000            | 9,618             | 2,781             |
| Discipline                                      | -                | 1,000             | -                 |
| Other Income                                    | 9,500            | 8,290             | 13,051            |
|   | <u>423,355</u>   | <u>453,483</u>    | <u>417,283</u>    |
| <b>EXPENSES</b>                                 |                  |                   |                   |
| Atlantic Region Forum                           | 2,000            | -                 | 203               |
| Awards For Members                              | -                | 1,389             | -                 |
| Board Meetings                                  | 3,000            | -                 | 2,689             |
| Convocation                                     | 14,000           | 6,659             | 10,585            |
| Credit Card Discount Fee                        | 11,500           | 14,811            | 12,317            |
| Discipline and Investigation                    | 6,000            | 11,058            | 5,008             |
| Equipment                                       | 1,500            | 3,160             | 842               |
| Financial Literacy                              | 500              | 239               | 805               |
| Information Technology                          | 5,000            | 685               | 3,182             |
| Insurance                                       | 3,000            | 2,354             | 2,285             |
| Member Meetings                                 | 8,000            | -                 | 7,929             |
| Member Rebate                                   | -                | 54,000            | -                 |
| Office and Administration                       | 8,000            | 7,454             | 8,819             |
| Other Committees                                | 2,500            | -                 | 2,128             |
| Prizes  | 3,000            | 3,000             | 3,000             |
| Professional Fees                               | 9,500            | 8,335             | 7,657             |
| Public Relations                                | 15,500           | 7,918             | 15,409            |
| Rent  | 18,500           | 4,245             | 17,965            |
| Salaries and Benefits (Note 5)                  | 194,000          | 207,987           | 196,623           |
| Self-Funding Activities (Note 6)                | 84,000           | 72,904            | 74,405            |
| Share of CPA Canada Profession Expense (Note 4) | 16,000           | 5,608             | 14,189            |
| Share of CPA Canada Other Expenses (Note 4)     | -                | (814)             | 5,472             |
| Strategic Initiatives                           | 10,000           | -                 | 6,842             |
| Telephone                                       | 2,500            | 1,721             | 2,292             |
| Travel  | 4,500            | -                 | 4,413             |
|   | <u>422,500</u>   | <u>412,713</u>    | <u>405,059</u>    |
| <b>INCOME FROM OPERATIONS</b>                   | <u>\$ 855</u>    | <u>40,770</u>     | <u>12,224</u>     |
| <b>UNRESTRICTED NET ASSETS</b>                  |                  |                   |                   |
| <b>BEGINNING OF YEAR</b>                        |                  | 392,648           | 380,424           |
| Transfer to Restricted Assets                   |                  | (40,000)          | -                 |
| <b>END OF YEAR</b>                              |                  | <u>\$ 393,418</u> | <u>\$ 392,648</u> |

# CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

## ANNUAL REPORT 2020-2021

Chartered Professional Accountants of Prince Edward Island  
STATEMENT OF CASH FLOWS  
For the Year Ended March 31, 2021

|  | 2021       | 2020       |
|--|------------|------------|
| <b>OPERATING ACTIVITIES</b>                      |            |            |
| Income from Operations                           | \$ 40,770  | \$ 12,224  |
| Change in Non-Cash Working Capital Items         |            |            |
| Accounts Receivable                              | (48,089)   | 45,175     |
| Harmonized Sales Tax Receivable                  | (7,716)    | 312        |
| Interest Receivable                              | (8,495)    | (15)       |
| Prepaid Expense                                  | 444        | 904        |
| Payables and Accruals                            | 112,830    | (27,764)   |
| Payroll Remittance Payable                       | 3,004      | 142        |
| Unearned Revenue                                 | 54,088     | (28,242)   |
| Net Cash Provided (Used) in Operating Activities | 106,066    | (9,488)    |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | 146,836    | 2,736      |
| <b>CASH AND CASH EQUIVALENTS</b>                 |            |            |
| BALANCE, BEGINNING OF PERIOD                     | 446,546    | 443,810    |
| BALANCE, END OF PERIOD                           | \$ 593,382 | \$ 446,546 |

Chartered Professional Accountants of Prince Edward Island  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2021

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**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, 2021

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#### 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. 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 \$218,776 for 2020/2021; (\$213,042 for 2019/2020).

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 2020/2021 was \$(814); (\$5,472 for 2019/2020).

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 2020/2021 was \$5,608; (\$14,189 for 2019/2020).

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 \$12,053 and is included in salaries and benefits (\$11,646 for 2019/2020).

Chartered Professional Accountants of Prince Edward Island  
 NOTES TO THE FINANCIAL STATEMENTS  
 March 31, 2021

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6. Self-Funding Activities

|                                    | <u>2021</u>       | <u>2020</u>       |
|------------------------------------|-------------------|-------------------|
| <i>Revenues</i>                    |                   |                   |
| Professional Development           | \$ 86,946         | \$ 85,014         |
| Practice Inspection                | 36,823            | 19,111            |
| Post Designation Public Accounting | 1,300             | 0                 |
| Golf Day                           | <u>0</u>          | <u>0</u>          |
|                                    | <u>\$ 125,069</u> | <u>\$ 104,125</u> |
| <br><i>Direct Costs</i>            |                   |                   |
| Professional Development           | 34,104            | 55,294            |
| Practice Inspection                | 37,304            | 19,111            |
| Post Designation Public Accounting | 1,496             | 0                 |
| Golf Day                           | <u>0</u>          | <u>0</u>          |
|                                    | <u>\$ 72,904</u>  | <u>\$ 74,405</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 as this time.

# CHARTERED PROFESSIONAL ACCOUNTANTS OF PRINCE EDWARD ISLAND

## ANNUAL REPORT 2020-2021

### Chartered Professional Accountants of Prince Edward Island BUDGET FOR THE YEAR ENDED March 31, 2022

|   | Budget 2021/2022    |
|---|---------------------|
| <b>Revenue</b>                          |                     |
| Provincial Fees                         | \$ 305,430          |
| National Fees                           | 220,000             |
| Interest Income                         | 9,000               |
| Miscellaneous                           | 3,000               |
| Professional Development                | 80,000              |
| Practice Inspection                     | 30,000              |
| Golf Day                                | 2,000               |
| Sponsorships                            | 6,500               |
| Convocation                             | 3,750               |
|   | <b>659,680</b>      |
| Less: National Fees                     | (220,000)           |
| <b>Net Revenue</b>                      | <b>439,680</b>      |
| <br><b>Expenses</b>                     |                     |
| Atlantic Regional Forum                 | 500                 |
| Annual General Meeting                  | 3,000               |
| Board Meetings                          | 500                 |
| CFE Prizes                              | 1,000               |
| Convocation                             | 16,000              |
| Credit Card Discount Fees               | 12,000              |
| Golf Day                                | 2,000               |
| Equipment                               | 1,500               |
| Financial Literacy                      | 500                 |
| Insurance                               | 3,000               |
| Investigation                           | 18,000              |
| Information Technology                  | 15,000              |
| Legal & Audit                           | 9,500               |
| Office and Administration               | 8,000               |
| Other Committees                        | 500                 |
| Practice Inspection                     | 30,000              |
| Prizes                                  | 2,000               |
| Professional Development                | 40,000              |
| Public Relations                        | 15,500              |
| Rent                                    | 22,000              |
| Salaries and Benefits                   | 202,000             |
| Share of CPA Canada Profession Expenses | 15,000              |
| Social/Candidate Reception              | 5,000               |
| Strategic Planning Initiatives          | 10,000              |
| Telephone                               | 2,500               |
| Travel                                  | 2,000               |
| <b>Total Expenses</b>                   | <b>437,000</b>      |
| <br><b>Net Income</b>                   | <br><b>\$ 2,680</b> |



**CPA**

**CHARTERED  
PROFESSIONAL  
ACCOUNTANTS  
PRINCE EDWARD ISLAND**

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