

# 2018-2019

## ANNUAL REPORT



**CPA**

CHARTERED  
PROFESSIONAL  
ACCOUNTANTS  
NEW BRUNSWICK

## VISION, MISSION & VALUES

Here at CPA New Brunswick, our vision is to develop and support the best professional business advisors.

We believe that by enhancing the value of the Canadian CPA designation, we:

- are protecting the public interest
- are attracting and supporting our members, candidates, and students
- are participating in improving the socio-economic condition of New Brunswick

We create trust by:

- acting with integrity
- fostering excellence
- being accountable
- working collaboratively
- being open-minded and nimble



## MESSAGE FROM THE CHAIR

Dear Members,

In my role as Chair of the Board of Directors of CPA New Brunswick, I have been very fortunate to participate in some wonderful initiatives over the past year.

Late 2018 brought us into the development of our new strategic plan, which will be implemented over the coming year and will provide us with much clearer objectives moving forward.

Sweeping changes were also made to our Continuing Professional Development Policy, affording members more freedom in how they earn and report their CPD, and our work on promoting CPA Canada's Financial Literacy program has yielded phenomenal results, resulting in a 100% increase in session requests and CPA volunteer participation.

February's Convocation was held with 46 brand-new graduates, including Bradley Smith, a very impressive young man who earned a place on the national Honour Roll, received the CFE Distinction Award, and was also among the top writers at the September 2018 CFE. Our newest CPAs are really setting the bar for generations to come!

Also honoured were three new Fellows: Paul Bérubé, Robert Moreau, and Ron Outerbridge, and the first-ever recipient of the Emerging Leader award, Candace Sears. I would like to thank my fellow Board members for their time and commitment over the past year, and also to the wonderful staff and volunteers who work so hard to deliver the best possible service.

Thanks to President and CEO Rock Lefebvre, who continues to set the precedent for how our vision, mission and values can transform and advance our profession.

And last but certainly not least, thanks must be given to you, our members. We are incredibly grateful for your continued support and engagement, and I look forward to meeting more of you in the coming year!

I am every bit as enthusiastic today as I was one year ago when I became Chair; what we have managed to accomplish in the past year just goes to show that hard work and dedication do yield results.

Sincerely,



Julie Bernard



## MESSAGE FROM THE PRESIDENT & CEO



CPA New Brunswick affirmed its raison d'être in 2018 when we refined our mission to developing and supporting the best professional business advisors.

Driven by the aspirations of our members and through the help of many, we have worked diligently to enhance our community presence and involvement, to foster increased business partnerships, and to heighten our service offerings to members. As the result of a dedicated strategic planning exercise, our 2019-22 Strategic Plan has been crafted; refocusing our business on education and knowledge stewardship, thought leadership, and member relevance – all the while mindful to sustain regulatory excellence and operational effectiveness.

We operate our enterprise to ensure value for members and the public we collectively serve. As the following pages reveal, CPA NB has, by virtue of the contributions of its members, volunteers, governors, and staff increased its footprint while delivering its best-ever bottom line; achieving substantially all of our 2018-19 targets while aligning to a renewed strategic direction and corporate ethos.

We are ready for the year ahead of us – frequently adapting to changing circumstances and pursuing innovation. We are also transforming how we work in order to give our employees greater autonomy and flexibility, treating us all as entrepreneurs, with clear goals, and regular measurement against those goals. Consistent with these ideas, we will transform our workplace to promote increased collaboration, innovation and productivity.

On behalf of CPA NB, I extend my sincere appreciation to our members, volunteers, partners, and stakeholders for their continued trust and support. I thank also the staff team for its dedication to improving the CPA experience.

As a member-based organization, as a group of colleagues, we will continue to advance and to promote the CPA designation.

Cordially,

A handwritten signature in black ink, appearing to read 'R. Lefebvre'.

Rock Lefebvre, FCPA, FCGA  
President and Chief Executive Officer

# 2018-2019 BOARD OF DIRECTORS

CPA New Brunswick is governed by a Board of Directors made up of elected members and public representatives who are appointed to represent the public interest.



(L-R) Pierre Doiron, André LaPlante, Jason Alcorn, Jennifer Beach, Rock Lefebvre, Julie Bernard, John Clark, Lee Mitchell, Stephen Lund, Krista Munroe. Absent: Christine Hoyt, Mohamed Drira.

## TEAM



**Mylène Lapierre**  
Registrar, Senior Compliance  
Officer



**Kristen Steeves**  
Senior Manager, Operations



**Jason Tasse**  
Manager, Communications &  
Public Relations



**Danielle Pieroni**  
Manager, Special Projects &  
Business Development



**Murielle Cormier**  
Admissions & Compliance  
Officer



**Renée Dupuis-Leon**  
Coordinator, Professional  
Services and Member Events



**Louise Godin**  
Executive Assistant



**John Thomas**  
Student Recruitment Advisor  
CPA Atlantic School of Business

# COMMITTEES

## **Audit & Finance Committee**

Members: Gerald Regan (Chair); Krista Munroe; Susan McIsaac; Dan Rae; Stephen Slauenwhite; Yanik Savoie.

This committee's purpose is to assist the Board in its oversight of the integrity of our financial reporting and disclosure processes, in appointing external auditors, the performance of our management and of appointed auditors, the adequacy and effectiveness of internal controls, risk management, and to ensure our compliance with legal and regulatory requirements.

## **Governance Committee**

Members: Jason Alcorn (Chair); André LaPlante; Roger Bastarache; Lee Mitchell; Pierre Doiron.

This committee is responsible for ensuring that the Board of Directors fulfills its legal, ethical and operational obligations through appropriate governance policy framework.

It is also responsible for Board recruitment strategies, monitoring of Board activities and overarching review of Board and committee performance.

## **Human Resources Committee**

Members: André Laplante (Chair); Christine Hoyt; Jason Alcorn; Lee Mitchell, Pierre Doiron

This committee's primary purpose is to support the Board of Directors and provide recommendations in relation to the establishment of the overarching human resources management philosophy and the desired corporate culture.

While the committee may be consulted on general human resources issues within the organization, it is predominantly responsible for multiple aspects of the President & CEO's position and deliverables.

## **Member Recognition Committee**

Members: Kevin Dumaresque (Chair); Darrell Stewart; Trudy Dryden; Suzanne Tucker; Paul Martin; Allison Walker; Paul Berry.

This committee is responsible for reviewing and evaluating Fellowship and Emerging Leader applications, and is tasked with recommending appropriate nominees to the Board.

In February 2019 Paul Bérubé, Robert Moreau, and Ronald Outerbridge were conferred as Fellows while Candace Sears was awarded our first ever Emerging Leader award. Congratulations to all!

# COMMITTEES

## Practice Inspection Committee

Members: John Clark (Chair); Blair Northcott; Lucie Nadeau; Carol LeBlanc; Peter Spacek; Donald Cormier; Janice Leahy.

It is this committee's responsibility to oversee the inspections of all public practices registered with CPA NB in a manner that will conform to the harmonized practice inspection program.

The 2018-2019 inspection cycle included [43 public practices](#), 6 of which were re-inspections from the previous year's cycle (44 public practices were inspected in 2017-2018).

37 (34 in 2017-2018) out of 43 firms (44 in 2017-2018) met the inspection requirements.

A formal practice inspection report will be prepared and issued in June 2019, which will include a summary of any deficiencies raised by the inspectors during this cycle.

## Complaints & Hearing Committees

Members: David Ross (Chair, Complaints Committee); Paul-Emile Légère (Chair, Hearing Committee)

The Complaints Committee has the responsibility to investigate or request an investigator, to order practice inspections, financial audits, issue cautions or warnings, and to resolve any outstanding complaints.

The Hearing Committee hears evidence and determines the merit of complaints, and when appropriate, imposes sanctions.

16 complaints were received in 2018-2019: eight have been closed or resolved, two are under investigation by the Complaints Committee, and six are under investigation by the Hearing Committee.

The Professional Conduct Process Task Force (PCPTF) was established in April 2018 to conduct an examination of the existing Professional Conduct Process, resulting in a New Complaint & Discipline Process Guide.

Based on this guide, a complaints and hearing process training session was developed by CPA NB and delivered on May 23rd, 2019; designed to enhance procedural guidance and encourage knowledge sharing.

# MEMBER ENGAGEMENT

## Community Investment

Working in collaboration with our chapters, volunteers, and some of New Brunswick's community and public-minded organizations, we have sought opportunities for increased leadership, community-mindedness, and visibility for the CPA brand.

Through our community investment initiatives, we are determined to be an active participant in improving both the socio-economic condition of the province and the wellbeing of its people.

- (October 13, 2018) Sponsorship of Atlantic Wellness Community Center's **7th annual Monster Trot and Bar-Boo!-Que** fundraising event. The AWCC provides access to free and timely mental healthcare to youth and young adults ages 12 to 21 in Southeastern New Brunswick. It also helps coordinate services between invested community partners such as family physicians and school guidance counsellors in order to provide better, seamless care.
- (October 20, 2018) Sponsorship of the **Legs for Literacy Expo**, which was started in 2000 by a small group of local runners and a team of enthusiastic volunteers who saw a need for a community running event and decided that any funds raised would go to local school literacy programs.
- (November 23, 2018) Sponsorship of the **Greater Moncton Progress Club's Annual Antler Breakfast**, which welcomed over 1,500 people sporting red antlers and savouring an early-morning breakfast served up by Progress Club members, all to raise funds for children's charities.
- (November 29 - December 7, 2018) Donations were made to the **20th Annual Sue Stultz & Local 999 Moncton Firefighter's Association Annual Turkey Drive**, and to local food banks throughout the province, including Food Depot Alimentaire, the Saint John Community Food Basket, and the Greener Village.
- (March 13/19/21, 2019) We presented three CFO of the Year awards in March at the Junior Achievement New Brunswick **2019 Futures Unlimited Galas** in Fredericton, Saint John and Moncton.





# MEMBER ENGAGEMENT

## Financial Literacy

During the 2018-2019 fiscal year, CPA New Brunswick volunteers delivered **74 sessions to 25 host organizations** representing a variety of audiences. This is a **174% increase** from the previous year. Hosts included schools, libraries, employers, and non-profits, among others.

Currently, **122 CPAs** from New Brunswick are registered as Financial Literacy volunteers, **an increase of 45.2%** since April 2018. 24.6% of volunteers are active, having delivered at least one session this year, which is a **150% increase from the previous year**. This engagement rate is **one of the highest in the country**, which has caught the attention of other provincial organizations, who are approaching NB for advice on how to grow their Financial Literacy programs.

We will continue to expand the Financial Literacy program next year, with a focus on increasing the number of host organizations (and correspondingly, an increase in sessions), as well as seeking sponsorship to support the enhanced program.

Thank you to our Gold Sponsor, **FCNB**, and the many collaborators who have endorsed CPA New Brunswick's Financial Literacy program, where CPA volunteers deliver free, unbiased educational sessions to a variety of audiences across the province, in both official languages.



Anglophone-East School District  
Chamber of Commerce for Greater Moncton  
City of Campbellton  
City of Saint John  
Conseil économique du Nouveau-Brunswick  
Crandall University  
Fredericton Chamber of Commerce  
Moncton Regional Learning Council  
Mount Allison University

New Brunswick Community College (NBCC)  
Opportunities New Brunswick  
Saint John Region Chamber  
Town of Rothesay  
UNB Fredericton (Business Administration)  
UNB Saint John (Business)  
Université de Moncton (faculté d'administration)  
Ville de Dieppe



# MEMBER ENGAGEMENT

## School Visits

The School Visits project was developed and implemented to promote the CPA profession to high school students throughout New Brunswick.

In October and November 2018, approximately **30 new CPAs and CPA candidates** held **26 presentations** in **13 schools** across the province (7 Francophone and 5 Anglophone), facilitated by CPA NB's Murielle Cormier:

Bathurst High School (Bathurst)  
Cité des jeunes (Edmundston)  
École L'Odysée (Moncton)  
École Marie-Esther (Shippagan)  
École Secondaire Mathieu-Martin (Dieppe)  
Fredericton High School (Fredericton)  
Fundy High School (Saint George)  
Kennebecasis Valley High School (Quispamsis)  
Miramichi Valley High School (Miramichi)  
Polyvalente Louis-J.-Robichaud (Shediac)  
Polyvalente Thomas-Albert (Grand-Sault)  
Polyvalente W.-A. Losier (Tracadie-Sheila)  
Saint John Regional High School (Saint John)



# MEMBER ENGAGEMENT

## Community Volunteer Income Tax Program

Following a call-out to all members, **more than 115 CPAs** from across the province offered to volunteer their time at free tax clinics in their areas.



- Free clinics were hosted and manned by CPAs, primarily based in four locations throughout New Brunswick
- As of March 25, 2019, the **25 volunteers** at the Moncton location filed **more than 160 tax returns** for seniors, new immigrants, students, and low-income New Brunswickers
- In the Moncton area, there were still 39 sessions scheduled before the end of April 2019
- Many visitors have expressed their appreciation for the availability of the clinics on evenings and weekends
- Due to its phenomenal success, this project will continue in 2020

## Research

In September 2018, CPA NB published a study, co-authored by Kamallesh Gosalia and Rock Lefebvre, titled *The Rhythm of New Brunswick's Socio-Economic Condition*, which examined a number of principle indicators finding the province of New Brunswick either lags or compares unfavorably on most indicators relative to other provinces and to Canada's national average.

This 58-page research document was shared with both New Brunswick Premier Blaine Higgs and Finance Minister Ernie Steeves, and continues to be available from CPA NB.

# MEMBER ENGAGEMENT

## Website/Social Media by the Numbers



733  
POSTS

212,026  
IMPRESSIONS



686  
POSTS

126,222  
IMPRESSIONS



275  
POSTS

36,811  
IMPRESSIONS



31,091  
USERS

172,568  
PAGE VIEWS



176  
JOB POSTINGS

5,729  
PAGE VISITS



96  
COMMUNICATIONS

147,016  
RECIPIENTS

## CPA Store

The CPA New Brunswick online store provides members with the opportunity to show their professional pride by featuring a selection of CPA-branded items, such as water bottles, toques, portfolios, flash drives, and more!

# CHAPTERS

CPA Chapters were established in various jurisdictions across New Brunswick for the purpose of supporting members and candidates, enhancing member connectivity both with and within the profession, and increasing the relevance of the CPA designation throughout the communities we represent.

Working in collaboration with, and supported by CPA New Brunswick, Chapter activities are predominantly comprised of designing and delivering quality offerings, events, and initiatives that accentuate professional development and networking for members.

Chapters have been extremely active this year by holding **14 events**, which is 5 more than the last reporting period.

**Acadie-Chaleur:** Jolaine-Amélie Kenny (Leader), Katy Chiasson-Duke, Mélanie Comeau, Pierre Cormier and Chantal Losier.

**Edmundston:** Mathieu Moreau (Leader) and Germaine Levesque.

**Fredericton:** Allan Steeves (Leader), Mike Allen, Melissa Akerley Meadows, Emilie Chiasson, Krista Dixon, Aleta Hayden, Sarah Hayes, Nick Hoben, Terrienne Humby and Charlotte McIntosh.

**Miramichi:** Alvin Bell (Leader), Stephen Ashe, Brett Campbell, Chris Gibson, Irene McCardle, Harold Parlee, Darrell Stewart, Sean Wiebe and Tosha Williamson.

**Moncton:** Carole Vautour (Leader), Miguel Aguirre, Debbie Bayliss, Denis Boudreau, Jordan Dugas, Mona LeBlanc, Kelly MacKinnon, Clarence Robinson and Heather Steeves.

**Restigouche:** Joyce Basque (Leader), Julie Bernard, Sylvie Bernard Innes, Éric Doucet and Marc Savoie

**Saint John:** Raha Mosca (Leader), J. Alan Colwell, Bob Crowley, Julie Fitzpatrick, Beverly Guimond, Greg Hierlihy, Susan Johnson, Kale McBrine, Blair Northcott, Lisa Palmer and Tasha Ralph

**Woodstock:** Arlene Dore (Leader), Matthew Derrah, Tobi Doucette-Corey, Heather Foster, Jennifer Konings, Jo-Anne Lockhart, Keeli Moses and Vickie Nicholson.

## Volunteers

We would like to send a HUGE Thank You to our many volunteers for their assistance with our events, committees, and other activities which keep us so busy. Our volunteers make all the difference!

# EVENTS

The number of CPD hours offered **increased by 44%** (including in-person and online).

The overall in-person course satisfaction rating also went up from an average of 4.29 to 4.43 (out of a total of 5).

In addition to previous online offerings, we have developed new partnerships with **ProDio**, **Executive Finance**, and the **Corporate Finance Institute**. We are currently finalizing a collaboration with Flip University, and are also looking into other providers in order to offer more diverse online education options which meet the needs of our membership.

## In-person CPD by event

	# of sessions	# of attendees	CPD hours offered	CPD hours credited
Ethics Roadshow (Moncton, Fredericton, Saint John, Dieppe, Beresford)	8	307	16.00	614.00
Fall CPD (Saint John)	34	530	196.00	8,186.50
Spring CPD (Fredericton)	17	230	105.00	2,877.00
Chapter CPD (various locations)	14	443	27.50	801.00
CPA New-Brunswick AGM (Saint John)	1	23	2.00	46.00
<b>Total</b>	<b>74</b>	<b>1,533</b>	<b>346.50</b>	<b>12,524.50</b>

## Online CPD

<b>Total</b>	<b>105</b>	<b>154</b>	<b>389.25</b>	<b>481.50</b>
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## Number of sessions provided by competency category

	In-person	Online	Total
Accounting & Assurance	22	22	44
Ethics	10	5	15
Finance	8	13	21
Information Technology	6	13	19
People Management & Personal Development	20	19	39
Public Practice	1	1	2
Strategy & Governance	3	7	10
Taxation	4	14	18
Wealth Management	0	6	6

# 2019 CONVOCATION

At the 2019 Convocation, held on Saturday, February 2nd in Moncton, we welcomed **46 new graduates** into our fold.

We would like to highlight the achievements of **Bradley Smith, CPA**, who not only made the CPA Canada Honour Roll, but also received the CPA New Brunswick CFE Distinction Gold Award, and was also a recipient of the CPA Atlantic School of Business Award of Excellence!

Isabelle Allain  
Brianna Allen  
Brianna Beachey  
Julie-Pier Bernard  
Courtney Bietz  
Zachery Black  
Eric Bordage  
Holly Brown  
Jozanie Chiasson  
Daniel Clarke  
George Day  
Philip Dewar  
Katrina Dimayacyac  
Jordan Drillen  
Benjamin Eagan  
Jordan Engelmyer  
Tiffany English  
Andrew Erving  
Randy Gilmore  
Nicholas Green  
Sean Healy  
Brandon Hussey  
Jeffrey Jenkins

Cedric Laverdure  
Julien LeBlanc  
Martine LeBreton  
Victoria Legacy  
Weldon MacDonald  
Sean MacLeod  
Alexandra MacLeod  
William MacMackin  
Vonette Malakius  
Kent Manderville  
Daniel McCullough  
Miguel Ouellette  
Ryan Ramier  
Qing (Ivy) Shao  
Bradley Smith  
Cody Stewart  
Dylan Taylor  
Késia Thibodeau  
Miguel Voisine  
Olivia Waugh  
Brendan Way  
Wade Williams  
Hui Jing (Jennifer) Ye



# AWARDS & HONOURS

## Fellowship

The Fellow (FCPA) title formally recognizes those members whose achievements and contributions, in their careers and in the community, have rendered exceptional service to the profession.

Becoming a Fellow is the highest honour that can be bestowed on a CPA.

We were very proud to recognize three new FCPAs, this year:



Paul Bérubé  
FCPA, CA



Robert Moreau  
FCPA, CGA



Ronald Outerbridge  
FCPA, CA

## Emerging Leader

The Emerging Leader Award, now in its inaugural year, celebrates members who have distinguished themselves early in their CPA careers through professional achievement, including volunteer service, with the emphasis being on professional accomplishment.

This award was also presented at the 2019 Convocation, and graciously accepted by [Candace Sears](#).



Candace Sears  
CPA, CA



# AWARDS & HONOURS

## 25 Years of Service

David Archambault  
Aleta Beers  
Raymond Bourque  
James Bradley  
Dacia Bulmer  
Kimberley Bustin  
Kevin Chapman  
Marla Chapman  
Michel Charest  
Catherine Connors Kennedy  
Linda Deveaux  
Mary Dever  
Jacqueline Doak  
Sylvain Doucet  
Denis Gauvin  
Maureen Hawker  
Michael Hazen  
Neil Hossack  
Maureen Hourihan  
Nagesh Jammula  
Marc Keirstead  
Marta Kelly  
Gilles Lanteigne  
Denis Larocque  
Patrick LeBlanc

Peter Logan  
Edward Loughery  
Michael MacFarlane  
Peter MacWilliam  
Jane Maillet  
Donna Mallet  
Michael Maloney  
Jeffery Matthews  
Stacey McKinney  
Patrick McMullon  
Chris Miller  
David Mogilevsky  
Lori Northrup  
Paul Palmer  
Nicola Parry  
Robert Penney  
Timothy Petersen  
Dee Purdy  
Michael Robart  
Darrell Stewart  
Robert Thébeau  
Tracey Underhill  
Pierre Verret  
Jeffrey White

## 50 Years of Service

Austin R. Bastian  
Leo Beausoleil  
Paul Bray  
David Dow  
P. Evan Hickey  
Richard Hughes  
W. R. King  
Robert Leonard

John LeRoy  
William Mabee  
Edward L. Mehan  
Donald Mitchener  
David T. Nelligan  
William Steeves  
Gordon Tuttle

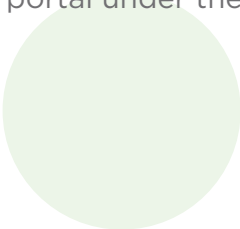


**CPA**

NEW BRUNSWICK

# AUDITED FINANCIAL STATEMENTS

The 2018-2019 Audited Financial Statements can be found on the [mycpaweb services.ca](http://mycpaweb services.ca) member portal under the documents tab.



**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**  
**Financial Statements**  
**Year Ended March 31, 2019**

**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**  
**Index to Financial Statements**  
**Year Ended March 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Chartered Professional Accountants of New Brunswick

### *Opinion*

We have audited the financial statements of Chartered Professional Accountants of New Brunswick (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and the results of its operations and its cash flow 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 the Organization 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

Prior year's financial statements were audited by a different accounting firm that issued an unqualified audit opinion dated June 1, 2018.

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

Management is responsible for the preparation and fair presentation of the 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 the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

*(continues)*

Independent Auditor's Report to the Members of Chartered Professional Accountants of New Brunswick  
(continued)

*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 the Organization'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 the Organization'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 the Organization 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.



Fredericton, New Brunswick  
June 10, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**  
**Statement of Financial Position**  
**March 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 4)</i>	\$ 2,183,903	\$ 2,311,967
Accounts receivable	218,744	172,486
Inventory	10,991	-
Prepaid expenses	26,900	23,891
	2,440,538	2,508,344
TANGIBLE CAPITAL ASSETS <i>(Note 5)</i>	31,934	21,983
LONG TERM INVESTMENTS <i>(Note 6)</i>	1,479,450	1,017,624
	\$ 3,951,922	\$ 3,547,951
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 301,831	\$ 334,793
Harmonized sales tax payable	178,468	172,777
Employee deductions payable	7,154	3,637
Deferred revenue <i>(Note 7)</i>	1,260,942	1,278,857
Current portion of obligations under capital lease <i>(Note 8)</i>	1,190	2,382
	1,749,585	1,792,446
OBLIGATIONS UNDER CAPITAL LEASE <i>(Note 8)</i>	-	1,190
	1,749,585	1,793,636
<b>NET ASSETS</b>		
Invested in tangible capital assets	31,934	21,983
Unrestricted	1,963,606	1,519,547
Professional conduct reserve <i>(Note 9)</i>	206,797	212,785
	2,202,337	1,754,315
	\$ 3,951,922	\$ 3,547,951

COMMITMENTS *(Note 10)*

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Chair*

\_\_\_\_\_ *Secretary-treasurer*

**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2019**

	Invested in Tangible Capital Assets Fund	Unrestricted Fund	Professional conduct reserve Fund	<b>2019</b>	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 21,983	\$ 1,519,547	\$ 212,785	<b>\$ 1,754,315</b>	\$ 1,397,898
Investment in Tangible Capital Assets	18,680	(18,680)	-	-	-
Excess of revenue over expenditures	(8,729)	462,739	(5,988)	<b>448,022</b>	356,417
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 31,934</b>	<b>\$ 1,963,606</b>	<b>\$ 206,797</b>	<b>\$ 2,202,337</b>	<b>\$ 1,754,315</b>



**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2019**

	2019	2018
<b>REVENUE</b>		
Member fees	\$ 1,107,220	\$ 1,105,029
Professional development and member events	608,200	621,638
Public practice fees	123,300	126,000
Admission fees	29,700	23,850
Professional corporation fees	19,150	18,517
Other	15,948	20,306
	<b>1,903,518</b>	<b>1,915,340</b>
<b>EXPENDITURES</b>		
Salaries and benefits	664,839	673,986
Professional development and events	452,753	469,504
General and administrative	202,502	220,424
Member engagement	19,582	8,366
Marketing and communications	63,688	30,970
Compliance	26,655	32,166
National committee fees	48,087	73,033
Governance	60,601	67,018
	<b>1,538,707</b>	<b>1,575,467</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	<b>364,811</b>	<b>339,873</b>
<b>OTHER INCOME</b>		
Investment income	26,280	24,712
Loss on disposal of assets	-	(896)
Gain (loss) on disposal of investments	(2,771)	817
Other income	19,694	11,585
Unrealized gain (loss) on investments	31,145	(11,055)
Unrealized gain (loss) on foreign exchange	8,863	(8,619)
	<b>83,211</b>	<b>16,544</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 448,022</b>	<b>\$ 356,417</b>

**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**

**Statement of Cash Flow**

**Year Ended March 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 448,022	\$ 356,417
Items not affecting cash:		
Amortization	8,729	9,809
Loss on disposal of assets	-	896
Loss (gain) on disposal of investments	2,771	(817)
Unrealized Loss (gain) on foreign exchange	(8,863)	8,619
Unrealized Loss (gain) on investments	(31,145)	11,055
	<u>419,514</u>	<u>385,979</u>
Changes in non-cash working capital:		
Accounts receivable	(46,258)	6,811
Inventory	(10,991)	-
Accounts payable	(32,962)	(672,467)
Prepaid expenses	(3,009)	(1,712)
Harmonized sales tax payable	5,691	12,211
Loans and notes receivable	-	73,725
Employee deductions payable	3,517	977
Deferred revenue	(17,915)	(8,735)
	<u>(101,927)</u>	<u>(589,190)</u>
	<u>317,587</u>	<u>(203,211)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(18,680)	(1,275)
Purchase of long term investments	(437,553)	(35,872)
Disposal of long term investments	12,964	12,834
	<u>(443,269)</u>	<u>(24,313)</u>
<b>FINANCING ACTIVITY</b>		
Repayment of obligations under capital lease	(2,382)	(2,976)
<b>DECREASE IN CASH</b>	<b>(128,064)</b>	<b>(230,500)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>2,311,967</b>	<b>2,542,467</b>
<b>CASH - END OF YEAR</b>	<b>\$ 2,183,903</b>	<b>\$ 2,311,967</b>

# CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK

## Notes to Financial Statements

Year Ended March 31, 2019

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### 1. PURPOSE OF THE ORGANIZATION

Chartered Professional Accountants of New Brunswick (the "Organization") is a not-for-profit organization incorporated provincially under the Companies Act of New Brunswick. As a registered not-for-profit the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization operates to self-regulate its members in order to protect the interest of the public. It is also responsible to oversee the accreditation, education, professional development and member services for its Members.

#### Provincial Chapters

The Organization has eight established Chapters throughout the Province. The role of each Chapter is to actively promote professional development, hold social activities for its Members and Candidates and enhance the goodwill and image of the Organization among its members and the general public. Each Chapter has its own Board and collaborates with the Organization. The revenue and expenditures of the Provincial Chapters are not included in these financial statements.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Cash and cash equivalents

The Organization considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

#### Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment and software	3-4 years
Furniture and fixtures	10 years
Leasehold improvements	10 years
Capital lease - Photocopier	5 years

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

*(continues)*

**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**  
**Notes to Financial Statements**  
**Year Ended March 31, 2019**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

The Organization considers any contracts a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

1. Cash and cash equivalents
2. Trade and other receivables
3. Payables and accruals
4. Long term investments

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures its financial assets and financial liabilities, other than investments which are measured at fair value, at cost or amortized cost less any reduction for impairment.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contribution and membership dues are recognized as revenue on a deferred basis equally over the period covered by the dues when received or receivable if the amount to be received can be reasonably estimated and collections is reasonably assured.

Member activity fees are recognized when the particular activity is held and fees are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned. Realized gains (losses) on the sale of portfolio investments are calculated using the original cost of related investments. Unrealized gains (losses) on portfolio investments are calculated as the in-year change in excess (deficiency) of fair value over original cost of portfolio investments held.

Contributed services

The operations of the Organization depend on the contribution of time by many members. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

*(continues)*

**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**  
**Notes to Financial Statements**  
**Year Ended March 31, 2019**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Significant estimates include allowances for doubtful accounts and useful lives of tangible capital assets. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2019.

***(a) Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. In the opinion of management, the credit risk exposure is low.

***(b) Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

***(c) Currency risk***

Currency risk is the risk to the Organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on long term investments held in U.S. dollars. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

***(d) Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its cash and cash equivalents and fixed income security investments.

***(e) Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investment in quoted shares.

**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**

**Notes to Financial Statements**

**Year Ended March 31, 2019**

4. CASH AND CASH EQUIVALENTS

	<u>2019</u>	<u>2018</u>
Cash	\$ 1,683,903	\$ 1,789,576
Cash equivalents	<u>500,000</u>	<u>522,391</u>
	<u>\$ 2,183,903</u>	<u>\$ 2,311,967</u>

Cash equivalents consist of short term investments that are highly liquid instruments and are measured at market value.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	<u>2019 Net book value</u>	2018 Net book value
Computer equipment and software	\$ 25,773	\$ 7,518	\$ 18,255	\$ 4,718
Furniture and fixtures	30,372	19,997	10,375	13,311
Leasehold improvements	6,500	3,196	3,304	3,954
	<u>\$ 62,645</u>	<u>\$ 30,711</u>	<u>\$ 31,934</u>	<u>\$ 21,983</u>

The following assets included above are held under capital lease :

	Cost	Accumulated amortization	<u>2019 Net book value</u>	2018 Net book value
Photocopier	\$ 11,908	\$ 10,320	\$ 1,588	\$ 2,779

6. LONG TERM INVESTMENTS

	<u>2019</u>	<u>2018</u>
Cash	\$ 429,679	\$ 22,406
Fixed Income Securities	472,398	451,678
Equity Investments	439,039	390,388
Mutual Funds	108,002	114,489
Foreign Securities and Other	<u>30,332</u>	<u>38,663</u>
	<u>\$ 1,479,450</u>	<u>\$ 1,017,624</u>

As at March 31, 2019, the market value of investments includes accumulated unrealized gains of \$40,009 (2018 - unrealized loss \$19,673).

**CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK**  
**Notes to Financial Statements**  
**Year Ended March 31, 2019**

7. DEFERRED REVENUE

	<b>2019</b>	2018
Member dues	<b>\$ 1,224,462</b>	\$ 1,215,037
Other	<b>36,480</b>	63,820
	<b>\$ 1,260,942</b>	\$ 1,278,857

8. OBLIGATIONS UNDER CAPITAL LEASE

The Organization has entered into a five year lease agreement with Office Interiors for a photocopier. The Organization considers the lease to be a capital lease. The lease is paid in quarterly payments of \$595 and matures on May 31, 2019. The balance remaining as of March 31, 2019 was \$1,190.

9. NET ASSETS - PROFESSIONAL CONDUCT RESERVE

The Organization has one large professional conduct complaint that is ongoing. Management currently estimates that costs of \$225,000 will be incurred. Costs incurred related to this complaint will be expensed as incurred and properly taken into account in determining net income for the applicable period. For 2019, hearing costs of \$5,988 (2018 - \$12,215) were incurred leaving the balance of the reserve of \$206,797 (2018 - \$212,785) ending March 31, 2019.

10. COMMITMENTS

The Organization leases premises located at 860 Main Street, Suite 602, Moncton, New Brunswick. The lease, which is being accounted for as an operating lease, has future minimum payments over the next five years approximately as follows:

2020	<b>\$ 65,766</b>
2021	<b>65,766</b>
2022	<b>65,766</b>
2023	<b>65,766</b>
2024	<b>5,481</b>
	<b>\$ 268,545</b>

11. CPA ASSESSMENTS

The Organization carries out the billing and collection of active member dues on behalf of the Chartered Professional Accountants of Canada ("CPAC"). The Organization remitted to CPAC fees totaling \$133,410 for the 2018-2019 year after March 31, 2018. Fees for 2019-2020 year collected on behalf of CPAC, in the amount of \$681,125, were remitted prior to March 31, 2019 and the remaining balance of \$44,575 is included in current accounts payable.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



**CPA**

NEW BRUNSWICK