



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
NOVA SCOTIA

Annual Report 2020-2021

CONTENTS

3 Leadership Message

From the Chair and the President and CEO

4 Board of Directors

6 CEO & Staff

9 Non-Consolidated Financial Statements

- 11 Independent Auditors' Report
 - 12 Non-Consolidated Statement of Operations and Changes in Net Assets
 - 13 Non-Consolidated Statement of Financial Position
 - 14 Non-Consolidated Statement of Cash Flows
 - 15 Non-Consolidated Notes to the Financial Statements
-

25 Key Statistics and Trends in Membership

26 Regulatory Data

- 26 Practice Inspections
 - 26 Complaints & Discipline
-

27 Professional Development

- 27 Total Course Registrations by Competency
 - 27 Registrations and Average Course Rating
-

28 Member Recognition

29 Overview of Committees

- 29 Board Committees
- 29 Statutory Committees

Message from the Chair and President and CEO

Dear Members,

CPA Nova Scotia is proud to celebrate another successful year, despite the global pandemic. Like you, the staff of CPA Nova Scotia had to pivot hard at the start of the pandemic and did an excellent job carrying out their regulatory and other duties while transitioning to remote working from home. In addition, the staff successfully transitioned more difficult events to virtual formats, including PD classes, practice inspections, discipline hearings, and member recognition celebrations.

Although CPAs have changed and adapted how to deliver their services during this pandemic, professional standards have not changed, nor has the expectation that they will be met. Protecting the public is a cornerstone of the CPA profession, and CPA Nova Scotia continues to meet all of its mandates and regulatory responsibilities outlined in this report.

With the implementation of virtual PD programs, it was found that the limitations imposed by the format resulted in unexpected benefits, including better serving members who might otherwise find it difficult to get to Halifax for courses. To further enhance members' experience, CPA Nova Scotia also combined resources with the other Atlantic CPA bodies to bring additional courses to our members and provide an enhanced experience of being in a virtual classroom with peers from around the region. As a result, 90 virtual classes were offered in 2020/21, attended by more than 2000 registered members.

The future of the CPA profession is bright. In 2020, 117 CPA candidates completed the Common Final Examination and were welcomed into the profession. This was part of the CPA Atlantic School of Business successfully mounting two writings of the CFE under

continuing COVID restrictions, for which they are to be congratulated. Nova Scotia also welcomed 106 already-designated professional accountants from across Canada and around the world. The year-over-year growth indicates the CPA profession remains an attractive career choice for students.

During this past year, CPA Nova Scotia continued to contribute in a meaningful way on the national CPA stage, primarily through the functioning of the Council of Chairs and Council of Chief Executives. CPA Nova Scotia's CEO now co-chairs the national Council of Chief Executives and has taken the lead in a sub-committee tasked with finding ways to move the profession into a stronger governance model. Likewise, the Chair of CPA Nova Scotia sits on a sub-committee of the Council of Chairs also tasked with governance model issues. Along with other national matters, PD continues to be an important area for development, and the CEO of CPA Nova Scotia leads the national committee pushing these boundaries.

In closing, it is important to offer our thanks to the CPA Nova Scotia staff, our Board of Directors, and the CPAs and members of the public who volunteer their time and expertise on our committees. But, most importantly, it is important to thank the members as none of these accomplishments over the past year would have been possible without your support and dedication to the profession.

Sincerely,



Geoff Baldwin
Chair, Board of Directors



Patricia Towler
President & CEO

BOARD OF DIRECTORS

The membership of CPA Nova Scotia's Board of Directors reflects a cross-section of perspectives with representation of the legacy designations participating in unification.

Geoff Baldwin, CPA, CA



Geoff is the Secretary & Treasurer of the Bragg Group of Companies, including Eastlink and Oxford Frozen Foods Ltd. He is responsible for the group's corporate treasury, insurance, pension, taxation, and financial risk management functions. Geoff has

broad experience in money markets, capital markets, foreign exchange, and financial derivatives and in the past been an ICANS instructor for their Corporate Treasury Management course.

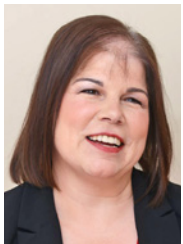
Jamie O'Neil, CPA, CA



Jamie is a partner in the audit practice at KPMG LLP in Halifax with over 23 years of experience in public accounting. Jamie is an active volunteer, serving as the Treasurer and a Member of the Board of Trustees for the QEII Health Sciences Centre

Foundation and on the Board of Directors for CPA Nova Scotia.

Jackie Poirier, FCPA, FCGA



Jackie is the Director of the Nova Scotia Tax Services Office with Canada Revenue Agency. She also serves as the President of the Confederation of Asian and Pacific Accountants (CAPA) and as a Girl Guide Leader and enjoys travelling with her family.

Diane MacConnell Cameron, CPA, CA, CRM



Diane has been with Sobeys for over 14 years and is currently the Director Finance, Risk Management. Together with like minded colleagues, Diane drove to make Sobeys Nova Scotia's first Chartered Accountant Training Office (CATO) in industry. Diane is

passionate about the CPA profession and committed to the success of the brand. Diane and her husband commit time to local charities with Diane holding a community member seat on the Board of the Pictou County Wellness Centre.

Calla Farn, MBA

Public Representative



Calla is a senior business leader with more than 25 years of experience. She currently works as Vice President, Corporate Affairs, for Canadian Stewardship Services Alliance (CSSA). She has an Executive MBA degree from Saint Mary's University and is

a graduate of the Chartered Director program at McMaster University's Directors College. She has served on several boards of directors including Divert NS, Stewardship Ontario, and Dialogue New Brunswick.

Michael Hurley, CPA, CMA



Before becoming the CEO of Nova Scotia Credit Union Deposit Insurance Corporation, Mike spent time in government, for-profit and not for profit roles. He was the Director of Finance for the Dept. of Finance and Treasury Board, CFO for John

Ross and Sons, VP of Administration & CFO for the QEII Foundation and CFO for the Nova Scotia Health Research Foundation.

Dr. Natalia Kochetova, FCPA, FCMA



Dr. Kochetova is a Professor of Accounting at the Sobey School of Business, Saint Mary's University. Throughout her career, she has taught accounting, auditing, and corporate governance courses at various levels, from 2nd year undergraduate, to

Masters of Accounting, EMBA, MTEI, and PhD levels. A strong believer in giving back to the profession and her community, Natalia has served on numerous professional and volunteer councils, committees, and boards.

Dr. Jeff Williams, BSC., DDS, MBA

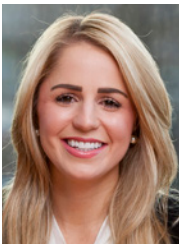
Public Representative



Dr. Williams is a graduate from Dalhousie's Faculty of Dentistry and Saint Mary's Master of Business Administration. Since 2001, he has been an Associate with ROI Corporation. He is currently chair of the board at CDSPI and is vice chair

of its wholly owned Barbados domiciled, captive insurance company; CDIC SCC. He is active in the Tatamagouche Area Trails Association and the Lillian Fraser Memorial Hospital Foundation.

Laura Roseveare, CPA, CA



Diane has been with Sobeys for over 14 years and is currently the Director Finance, Risk Management. Together with like minded colleagues, Diane drove to make Sobeys Nova Scotia's first Chartered Accountant Training Office (CATO) in industry. Diane is passionate

about the CPA profession and committed to the success of the brand. Diane and her husband commit time to local charities with Diane holding a community member seat on the Board of the Pictou County Wellness Centre.

Daphne Jenkins, CPA, CA



Daphne is currently the Vice President, Financial Accounting and Reporting for Clearwater Seafoods. Based in Bedford, Nova Scotia, Clearwater is a vertically integrated wild seafood company with global operations. Previously, Daphne handled Corporate

Reporting for Rogers Communications, where she partnered with CPA Ontario to establish Rogers as a Chartered Accountant training office. Daphne holds a Bachelor of Business Administration from Western University's Ivey School of Business.

Ayorinde Makanjuola, CPA, CGA, ACCA (UK)



Ayo is the Chief Financial Officer of the Black Business Initiative in Halifax. He moved to Canada from Nigeria five years ago. Ayo serves on the Board of the YMCA of Greater Halifax/Dartmouth and as the Treasurer of the Ecology Action Center in Halifax. In his spare

time, Ayo likes to play soccer.

Jeanne Saulnier, CPA, CMA



Jeanne is currently the Director of Finance for the Annapolis Regional Centre of Education. Jeanne's experience spans across both the public and private sector, and prior to coming to the AVRCE, she worked for the Nova Scotia Health Authority and the Annapolis Valley District Health Authority. Jeanne

has her Bachelor of Business Administration from Acadia University and an MBA from Heriot-Watt University.

CEO & STAFF

CHIEF EXECUTIVE

Patti Towler, BA, JD, LLM, CIC.C
President and CEO, Chief Legal Officer



Patti Towler was appointed President and CEO of CPA Nova Scotia in September 2015. She began her career at Stewart McKelvey in Halifax and continued to practice law at a major Vancouver firm after relocating there in 1996. For the past decade, she has

held executive roles in the post-secondary sector and is experienced in change management, marketing, and organizational leadership. She holds degrees in international law (University of San Diego), applied ethics (Regent College) and political science (King's College) as well as being a graduate of the Schulich School of Law at Dalhousie. Patti is delighted to be back in Nova Scotia and to have the opportunity to contribute to the accounting profession at a time of significant change and transformation.

Sheryl Van't Kruis
Executive Assistant



Sheryl provides support to the President, CEO and the Senior Director, providing administrative assistance to several key committees of CPA Nova Scotia and other administrative duties.

REGULATORY SERVICES

Anne Robinson, CPA, CA
Senior Director, Regulatory Affairs & Registrar



As the Senior Director Regulatory Affairs and Registrar, Anne leads CPA Nova Scotia's efforts to protect the public interest and integrity of the profession. CPA Nova Scotia sets and enforces high professional standards through ongoing professional education, support, practice inspections, and delivery of a robust complaint and discipline process. The Registrar is also responsible for maintaining a public registry of members and licensing those engaged in public accounting.

Carol Barr, CPA, CA
Director of Professional Conduct



Carol Barr is the Director of Professional Conduct and is responsible for administering the complaint and discipline process.

Bruce MacInnis, CPA, CA
Director of Professional Standards



Bruce MacInnis is the Director of Professional Standards and is responsible for administering the practice inspection program (professional standards review), professional liability insurance, administering the licensing of those engaged in public accounting, and advisory services dealing with inquiries from members. Bruce also represents CPA Nova Scotia on CPA Canada's Practice Inspection Program and Public Practice Advisory Services Committees.

MEMBER SERVICES

Clare Bilek, BA, LLB Legal Counsel



Clare's role as Legal Counsel is to provide legal advice and services to CPA Nova Scotia, its employees, and its boards and committees.

Amy MacIsaac, CPA, CA Director of Member Services



As Director of Member Services, Amy is responsible for overseeing programs including Continuing Professional Development, affinity partnerships, member recognition and special events and other initiatives to support connectivity within the membership.

Danielle Roode Associate Registrar



Danielle is responsible for the membership register and member database, international applicants, as well as the registration and renewal process for members. She handles professional development reporting and deficiencies and works

closely with both the Registration and Professional Development Committees. Contact Danielle for information on membership status, membership applications and mandatory CPD.

Kanika Kanika Member Services Administrator



Kanika provides assistance to members in areas such as answering member inquiries, processing PD and event registrations and other administrative duties.

Lori McGuire Regulatory Coordinator



As the Regulatory Coordinator for CPA Nova Scotia, Lori provides support to the Senior Director of Regulatory Affairs and Registrar, the Associate Registrar, and the Director of Professional Standards. Contact Lori for information on public

accounting licensing, firm registration/renewals, firm name changes and membership certificates.

FINANCE AND ADMINISTRATION

Rodney Rodenhiser, CPA, CMA Director, Finance and Administration



Rodney manages the day-to-day operations of CPA Nova Scotia, responsible for establishing and maintaining the organization's financial structure, including budgeting, billings, financial reporting, and payroll. He also oversees CPA Nova Scotia's

technological infrastructure, facilities, and human resource functions.

Megan Smith Accounting Assistant



Megan's primary responsibilities as Accounting Assistant include managing accounts payable and receivable. Members can contact Megan regarding dues payments and receipts, password reset, professional development payments, firm renewal

payments, application fees, and any other questions related to payments for CPA Nova Scotia.

COMMUNICATIONS

Jessica Gillis, BPR, MA Director of Communications



As the Director of Communications, Jessica is responsible for the strategic communications planning including, member communication, public information, and brand development for CPA Nova Scotia.

Coralee Lewis, BPR Director of Communications



As the Director of Communications, Jessica is responsible for the strategic communications planning including, member communication, public information, and brand development for CPA Nova Scotia.

CHARTERED PROFESSIONAL
ACCOUNTANTS OF NOVA SCOTIA

NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS OF NOVA SCOTIA

INDEX

MARCH 31, 2021

Independent Auditors' Report 11

Non-Consolidated Statement of Operations and Changes in Net Assets 12

Non-Consolidated Statement of Financial Position 13

Non-Consolidated Statement of Cash Flows 14

Non-Consolidated Notes to the Financial Statements 15-24

INDEPENDENT AUDITORS' REPORT

To the Members of:
Chartered Professional Accountants of Nova Scotia

Opinion

We have audited the non-consolidated financial statements of Chartered Professional Accountants of Nova Scotia (the "Organization" or CPA Nova Scotia"), which comprise the non-consolidated statement of financial position as at March 31, 2021 and the nonconsolidated statements of operations and changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of Chartered Professional Accountants of Nova Scotia as at March 31, 2021, and results of its nonconsolidated operations and its non-consolidated 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 Auditors' Responsibilities for the Audit of the Non-consolidated 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 non-consolidated 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 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.

Auditors' Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 nonconsolidated 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 non-consolidated 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 auditors' report to the related disclosures in the non-consolidated 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 auditors' 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Dartmouth, Nova Scotia
August 16, 2021

Baker Tilly Nova Scotia Inc

Chartered Professional Accountants

CHARTERED PROFESSIONAL ACCOUNTANTS OF NOVA SCOTIA

Non-Consolidated Statement of Operations and Changes in Net Assets

For The Year Ended March 31, 2021

	2021 \$	2020 \$
REVENUES		
Membership fees	2,415,130	2,389,355
Professional development	483,171	653,499
Practice inspections	168,871	125,158
Settlements and other	107,607	49,801
Investment income (net) (Note 11)	134,745	(34,640)
Convocation and membership dinners	—	11,910
	3,309,524	3,195,083
DIRECT EXPENSES		
Professional development	249,597	434,664
Practice inspections	125,704	91,096
Convocation and membership dinners	30,991	28,723
	406,292	554,483
NET REVENUE	2,903,232	2,640,600
OPERATING EXPENSES		
Salaries and wages	1,403,645	1,411,752
Rent	299,609	299,524
Conduct professional fees	243,623	105,014
Membership database	131,524	88,266
Bank and credit card fees	82,612	92,264
Office	68,171	72,941
National shared costs (Note 12)	40,547	109,710
Advertising and promotion	18,207	41,930
General legal	18,206	17,395
Amortization	17,040	26,058
Accounting	15,100	16,685
Sub-contracting	14,525	23,809
Memberships and associations	12,815	11,292
Insurance	11,345	11,695
Governance	3,872	13,783
Travel	1,901	13,389
	2,382,742	2,355,507
EXCESS OF REVENUES OVER EXPENSES	520,490	285,093
NET ASSETS - beginning of year	1,711,947	1,426,854
NET ASSETS - end of year	2,232,437	1,711,947

CHARTERED PROFESSIONAL ACCOUNTANTS OF NOVA SCOTIA

Non-Consolidated Statement of Financial Position

As at March 31, 2021

	2021 \$	2020 \$
ASSETS		
CURRENT		
Cash	2,706,625	1,913,904
Accounts receivable	306,834	189,295
Prepays	238,637	128,568
	3,252,096	2,231,767
INVESTMENTS (Note 3)	1,548,173	1,418,868
CAPITAL ASSETS (Note 4)	52,714	50,008
	4,852,983	3,700,643
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	502,480	354,440
Current portion of lease inducements	48,855	43,154
Due to CPA Canada	190,485	67,752
Deferred revenue	1,654,807	1,250,576
	2,396,627	1,715,922
LEASE INDUCEMENTS (Note 6)	223,919	272,774
	2,620,546	1,988,696
NET ASSETS		
UNRESTRICTED	807,437	286,947
INTERNALLY RESTRICTED (Note 7)	1,425,000	1,425,000
	2,232,437	1,711,947
	4,852,983	3,700,643

COMMITMENTS (Note 8)

SIGNIFICANT EVENT (Note 9)

Approved by the Board


Director


Director

CHARTERED PROFESSIONAL ACCOUNTANTS OF NOVA SCOTIA

Non-Consolidated Statement of Cash Flows

For The Year Ended March 31, 2021

	2021 \$	2020 \$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess of revenues over expenses	520,490	285,093
Items not affecting cash		
Amortization	17,040	26,058
Lease inducements	(43,154)	(39,082)
Unrealized (gain) loss on investments	(110,842)	64,321
	383,534	336,390
Changes in non-cash working capital items		
Accounts receivable	(117,539)	29,913
Prepays	(110,069)	7,105
Accounts payable and accrued liabilities	148,040	(53,587)
Due to CPA Canada	122,733	(222,649)
Deferred revenue	404,231	(309,050)
	830,930	(211,878)
INVESTING		
Acquisition of capital assets	(19,746)	(22,132)
Acquisition of investments	(193,010)	(129,389)
Proceeds on sale of investments	174,547	108,101
	(38,209)	(43,420)
CHANGE IN CASH	792,721	(255,298)
CASH - beginning of year	1,913,904	2,169,202
CASH - end of year	2,706,625	1,913,904

Notes to the Non-Consolidated Financial Statements

For The Year Ended March 31, 2021

1. OPERATIONS

Chartered Professional Accountants of Nova Scotia (“the Organization or CPA Nova Scotia”) was created by an Act of the provincial legislature to regulate Professional Accountants and protect the public, as well as promote and increase the knowledge, skill and proficiency of its members in all things related to the profession.

As at March 31, 2021, CPA Nova Scotia had 4,922 members (2020 - 4,818), including 4,006 members (2020 - 3,915) which were categorized as fee paying.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Controlled entities

The Organization has chosen not to consolidate the not-for-profit organization it controls (CPA Nova Scotia Education Foundation) and, instead, to disclose summarized financial information of the controlled organization.

Cash

Cash consists of cash on hand and bank balances held with a financial institution.

Internally generated intangible assets

Expenditures incurred in the development of internally generated intangible assets, including the Organizations membership database, are expensed as incurred.

Capital assets

Capital assets are recorded at cost. Amortization is provided for using the following rates and method over the estimated useful lives as follows:

Computer equipment	3 years	Straight line
Furniture and fixtures	5 years	Straight line
Leaseholds	Term of the lease	

Amortization is taken on a proportionate basis in the year of acquisition and disposition.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Lease inducements

Amortization of the leasehold inducements is recognized on a straight-line basis against rent expense over the term of the lease.

Deferred revenue

Membership fees and professional development revenue received in the current fiscal year relating to the next fiscal year are recorded as deferred revenue.

Revenue recognition

(a) Membership fees

Membership fees are set by the Board of Directors of the Chartered Professional Accountants of Nova Scotia and are recorded as they are collected and recognized in the fiscal year in which they relate. The liability for the portion of fees received in advance is recorded as deferred revenue.

(b) Professional development

Professional development fees are recognized in the fiscal year in which the course takes place. Fees generated from passport sales are recorded in the current fiscal year as all passports expire March 31.

(c) Practice inspections

Practice inspections fees are recognized when services are performed and collection is reasonably assured. The rate charged is a fixed hourly rate times number of hours to complete the inspection.

(d) Convocation and membership dinners

Ticket revenues for convocation and membership dinners are recognized when the event is held.

(e) Other

Sales of promotional products, affinity program revenue, website revenue and settlements are included in other revenues. These items are recognized as revenue at the time that goods and services are provided or persuasive evidence of an agreement exists, the selling price is fixed and determinable and collectability is reasonably assured.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

The Organization is a registered non-profit organization under the meaning assigned in Section 149.1(1) of the Income Tax Act and as such is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

Contributed services

The Organization and its members benefit from contributed services in the form of volunteer time for various committees. Due to the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net earnings.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and amounts due to CPA Canada.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down is recognized in excess of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of a reversal is recognized in excess of revenues over expenses.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as useful lives of capital assets, fair value of investments and certain accrued liabilities. Actual results could differ from those estimates.

3. INVESTMENTS

	2021 \$	2020 \$
Cash and cash equivalents	780,568	776,072
Equity - Canadian	447,279	370,254
Equity - US and International	14,755	10,299
Fixed income - Canadian	305,571	262,243
	1,548,173	1,418,868

CPA Nova Scotia has an investment policy which includes a range of lower, target, and upper allocation percentages for assets. Asset categories include cash and cash equivalents, fixed income and equity and specifies maximum amounts of foreign equity within the equity allocation. As at March 31, 2021, the organizations investments are held in accordance with the investment policy.

4. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net 2021 \$	Net 2020
Computer equipment	75,493	56,216	19,277	11,842
Furniture and fixtures	86,901	72,195	14,706	15,946
Leaseholds	37,115	18,384	18,731	22,220
	199,509	146,795	52,714	50,008

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended March 31, 2021

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021 \$	2020 \$
Accounts payable	54,840	82,055
Accrued liabilities	237,226	130,206
HST payable	210,414	142,179
	502,480	354,440

Included in accounts payable and accrued liabilities are \$NIL (2020 - \$1,916) owing to CPA Canada, \$31,390 (2020 - \$51,559) owing to CPA Alberta, \$1,148 (2020 - \$811) owing to CPA PEI, \$5,918 (2020 - \$NIL) owing to CPA Newfoundland, \$82,206 (2020 - \$38,454) owing to CPA ASB, and \$NIL (2020 - \$25,625) owing to the CPA Nova Scotia Education Foundation.

6. LEASE INDUCEMENTS

As a result of agreements transferred on August 2, 2016, CPA Nova Scotia received lease inducements totaling \$421,610. The inducements relate to a search for a subtenant at the previous office location for CMA NS, a variance in the actual lease and sublease for CMA NS office space, and 4 months of free rent provided to both CMA NS and ICANS in the pre-merger period.

These inducements have been deferred and are being amortized to rent expense on a straight-line basis over the term of the lease ending October 31, 2026 as follows:

	2021 \$	2020 \$
Lease inducements	421,610	421,610
Accumulated amortization	(148,836)	(105,682)
	272,774	315,928
Less current portion	48,855	43,154
	223,919	272,774

7. NET ASSET POLICY

The Organization maintains internally restricted net assets in accordance with its net asset policy to cover future operating costs and potential discipline cases.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended March 31, 2021

8. COMMITMENTS

The Organization leases office space and office equipment under operating lease arrangements. Future minimum lease payments over the next five years are as follows:

	\$
2022	203,467
2023	203,467
2024	203,467
2025	203,467
2026	203,467

9. SIGNIFICANT EVENT

On March 11, 2020, the World Health Organization declared COVID-19 a world wide pandemic. Since this time, federal and provincial governments have issued many orders and restrictions on businesses, travel, and social interactions to control the spread of the virus. This pandemic has adversely affected workforces, customers, economies, and financial markets globally.

While the impact of COVID-19 is expected to be temporary, many businesses were forced to close and lay off workers. The Organization's professional development, convocation, and membership dinners revenue has decreased as a result of gathering restrictions. The Organization's expenses have also decreased as a result of travel restrictions. Although there has been payment delays and waivers, there has been no significant impact on the Organization's collection of annual member dues for the year ended March 31, 2021.

10. EMPLOYEE FUTURE BENEFITS

The Organization provides benefits to all employees through participation in a multi-employer defined contribution plan. The assets of the plan are held separately from those of the Organization in an independently administered fund. Contributions accrued and expensed by the Organization during the period totaled \$74,107 (2020 - \$72,727).

11. INVESTMENT INCOME (NET) 2021

	2021 \$	2020 \$
Interest	9,349	23,060
Dividends	19,274	18,183
Realized gain (loss) on investments	7,266	867
Unrealized gain (loss) on investments	110,842	(64,321)
Management fees	(11,986)	(12,429)
	134,745	(34,640)

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended March 31, 2021

12. RELATIONSHIPS WITH OTHER ORGANIZATIONS

The transactions described below are measured at the exchange amount (the amount of consideration established and agreed to by the other parties):

a) **Chartered Professional Accountants of Canada (CPA Canada)**

The Organization has an agreement with Chartered Professional Accountants of Canada (CPA Canada) to work together to achieve a common mission and vision, to administer their affairs in accordance with agreed principles, and to act in the spirit of trust to best serve the interests of the CPA profession and the public. As a member province, CPA Nova Scotia pays a portion of the cost of maintaining national committees and programs. In addition, it collects and remits national membership fees to CPA Canada from its Members.

During the year ended March 31, 2021, total dues of \$1,590,608 (2020 - \$1,454,174) were collected and remitted to CPA Canada by CPA Nova Scotia on their behalf, which is not reflected in these financial statements. Furthermore, shared costs of \$40,547 (2020 - \$109,710) were incurred and paid to CPA Canada.

b) **Chartered Professional Accountants Atlantic School of Business (CPA ASB)**

CPA Nova Scotia has entered into an agreement whereby the CPA ASB recruits and registers students into the CPA professional education program and administers that program. The CPA ASB is incorporated under the Nova Scotia Societies Act as a not-for-profit organization and is a certified educational institution under the Income Tax Act. It is governed by a separate board appointed by the provincial CPA bodies in Atlantic Canada and Bermuda.

c) **CPA Nova Scotia Education Foundation (CPANS Foundation or the Foundation)**

CPANS Foundation is a registered charity with a stated mission to promote and support excellence in accounting education and related disciplines, including but not limited to high school education and business management education with the aim of ensuring that Nova Scotia produces the quality and quantity of CPAs needed in industry, education, government and public accounting.

The Organization has control over the Foundation through its complimentary mandate and shared board members. As at April 30, 2021, the Foundation had net assets of \$166,838 and had an excess of revenues over expenditures of \$40,848 for their fiscal period then ended.

During the year ended March 31, 2021, CPA Nova Scotia paid \$15,212 of general legal fees on behalf of the Foundation, which is included in the Organization's excess of revenues over expenses.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended March 31, 2021

13. FINANCIAL INSTRUMENTS

Risks and concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2021. The risks arising on financial instruments are limited to the following:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash, investments and accounts receivable. The Organization deposits its cash and investments in a reputable financial institution and therefore believes the risk of loss to be remote. The Organization is exposed to credit risk from accounts receivable. The Organization believes this credit risk is minimized as the Organization has a large and diverse member base. A provision for impairment of accounts receivable is established when there is objective evidence that the Organization will not be able to collect all amounts due.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and amounts due to CPA Canada. The Organization generates sufficient cash flow from operating activities to fund operations and fulfil obligations as they become due.

Key Statistics and Trends in Membership

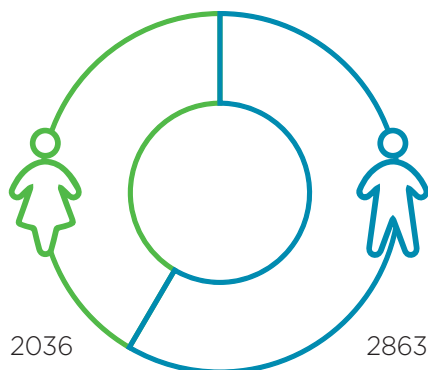
CPA Nova Scotia admitted only those applicants who met the rigour of the CPA certification process or met the requirement of a CPA international agreement and provided satisfactory evidence that they were of good character.

MEMBERSHIP BY LOCATION



WHERE WE LIVE (AT JUNE 22, 2021)	NUMBER	PERCENT
Bermuda & Caribbean	186	3.80
Canada (Outside NS)	326	6.65
Halifax/Dartmouth	3155	64.40
Cape Breton	215	4.39
Central	414	8.45
South Shore	149	3.04
Valley	217	4.43
Yarmouth	78	1.59
USA	88	1.80
Other	71	1.45
Total	4899	100.00

MEMBERSHIP BY GENDER



MEMBERS AT WORK



WHERE WE WORK (AT JUNE 22, 2021)	NUMBER	PERCENT
Business & Industry	1956	39.93
Education	165	3.37
Public Practice	989	20.19
Government	584	11.92
Other	330	6.74
Retired	875	17.86
Total	4899	100.00

REGULATORY DATA

2021/21 Practice Inspection Results



SERVICES PROVIDED	FIRMS INSPECTED	PASSED	FAILED	RATE
Audits, Reviews & Compilations	18	14	4	22%
Reviews and Compilations	11	6	5	45%
Compilations Only	34	34	0	0%
Total	63	54	9	14%

Complaints & Discipline

CPA Nova Scotia investigated complaints received about members and firms where breaches of the bylaws or rules were found. The resolutions typically included a reprimand and remedial education to protect the public from a repeat of the misconduct. In rare instances, there was a suspension or cancellation of membership.



ACTIVITY	2020-2021
Complaints at beginning of year	11
Total complaints received during the year	19
Total complaints processed during the year	30
Complaints concluded during the year	19

ANALYSIS OF DISPOSITION OF COMPLAINTS

Total resolved by CEO/staff/Chair without being referred for further investigation	11
Resolved by Investigation Panel:	
Dismissed	2
Dismissed with warning, counsel, resolution agreement, undertaking or reprimand	4
Charges Referred to Discipline Committee	2
Total concluded by Investigation Panel	8

DISCIPLINARY PANEL ACTIVITIES

Settlement agreement approved by Discipline Committee to resolve charges of Professional Misconduct, incompetence or conduct unbecoming	2
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No Formal Disciplinary Hearings on the merits were held.

Course Registrations

TOTAL REGISTRATIONS BY COMPETENCY



CATEGORY	NUMBER
Wealth Management	87
International Tax	0
Canadian Tax	533
Strategy & Governance	28
Public Practice Management	4
Ethics	443
People Management & Personal Development	622
Information Technology	558
Finance	470
Management Accounting	129
Financial Reporting	77
Audit & Assurance	244



Total Registration	3195
Total unique registrations (unique customers purchased courses)	1310
Average course rating	4.19/5

MEMBER RECOGNITION

The Board of Directors of CPA Nova Scotia formally recognize those members who have rendered exceptional services to the profession or whose achievements in their careers and in the community have earned them distinction and brought honour to the profession by awarding of the title Fellow Chartered Professional Accountant (FCPA).

Congratulations to the 2020 Fellowship recipients on this momentous professional achievement!



John Carruthers, FCPA, FCA

Advisor
Stonegate Private Counsel
Bedford, NS



Sonya Fraser, FCPA, FCA

Managing Partner and Assurance
Leader for Atlantic Canada
EY
Halifax, NS



Tim Houston, FCPA, FCA

Premier of Nova Scotia
Government of Nova Scotia
Trenton, NS



Keith MacIntyre, FCPA, FCA

Partner
Grant Thornton LLP
Halifax, NS



Leo McKenna, FCPA, FCA

Vice President Corporate Services
and CFO
Workers' Compensation Board
of Nova Scotia
Dartmouth, NS



Bethany Moffatt, FCPA, FCMA

Vice President Commercial Banking
Atlantic
Bank of Nova Scotia
Halifax, NS



Don Wishart, FCPA, FCMA

President
Seamark
Bedford, NS

OVERVIEW OF COMMITTEES



Board Committees

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Jamie O'Neil, CPA, CA
Jackie Poirier, FCPA, FCGA
Calla Farn - Public Rep

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Mike Hurley, CPA, CMA
Natalia Kochetova, PhD, FCPA, FCMA
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Jamie O'Neil, CPA, CA -Vice-Chair
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Jamie O'Neil, CPA, CA
Jeff Williams - Public Rep



Statutory Committees

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Jim Trussler FCPA, FCA Vice Chair
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Jerry (Gerald) Blackwood CPA, CGA
David Boyd CPA, CA
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Richard Dyke FCPA, FCMA
Robert Hill CPA, CA
Cheryl Inman CPA, CA
Ross Landers CPA, CA
Sylvie Lagace CPA, CMA
Scott Lytle Public Rep
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Nathan Priddle CPA, CA
Chris Sangster FCPA, FCGA
Cathy Sawler CPA, CA
William Slattery CPA, CA
Dagan Sorensen CPA, CMA
Darren Stroud, CPA, CA
Kent Williams CPA, CA
Lisa Jardine, CPA, CA
Jennifer Kooren Public Rep
Bruce Langille Public Rep
Optional: 1 Public Rep

COMPLAINTS REVIEW COMMITTEE

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Joyce Hoeven CPA, CA Chair
Blair Cook CPA, CA Vice Chair
Candice Hirtle CPA, CGA
Colin White CPA, CMA
Mark Bursey, Public Rep



Statutory Committees

CPD COMMITTEE

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Carolyn Scovill Brown, CPA, CA
Oriana Galfi, CPA, CMA
Derrick Hayes CPA, CA, CMA
Julie Levesque-Lockyer CPA, CMA
Kym Paquette CPA, CA
Eric Tanton, CPA, CMA
Gwenda Wheelans CPA, CA

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Loretta Manning QC Public Rep & Vice Chair
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Evangeline Colman-Sadd CPA, CA
Murray Doehler CPA, CA
Beth Earle CPA, CMA
Heidi Hornmoen CPA, CGA
Carl Kent FCPA, FCA
Martin Laycock CPA, CMA
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Darin McLean CPA, CMA
Elaine Morash CPA, CA
Michelle Protheroe CPA, CGA
Gerard Tompkins CPA, CA
Sean Walker CPA, CGA
Effie Weatherbee CPA, CGA
Byron Rafuse FCPA, FCMA
Jason Cook Public Rep
Claire Milton QC Public Rep
Optional: 3 Public Reps

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Kellie Skelhorn CPA, CMA Vice Chair
Sara Corkum, CPA, CA
Ian Stanley CPA, CA
Mike Stevens CPA, CGA
Dr. Elizabeth Mann Public Rep

PRACTICE INSPECTION COMMITTEE

Bruce MacInnis

Angela Myers CPA, CA Chair
Stephen Shupe CPA, CA Vice Chair
Michelle Amos CPA, CA
Carey Blair CPA, CA
Alida Mitchell CPA, CA
Loretta Kalkman CPA, CA
R.A. (Sonny) MacDougall CPA, CA
Denise Smith, CPA, CGA
Sarah Veinot CPA, CA

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Anne Robinson/Lori McGuire

Gina Kinsman CPA, CA Chair
Rena Langley CPA, CA, CGA Vice Chair GIC Appt
Chris Trenaman, CPA, CA
Chris(Alister) Hunston, CPA, CA
Carrie Rice, Public Rep
Missing: 1 Public Rep GIC Appt



Statutory Committees

REGISTRATION COMMITTEE

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Jeremy T. Bast CPA, CGA Vice Chair
Jody Bishop CPA, CMA
Paul Pettigrew CPA, CA
Kate Wall CPA, CGA
Byran Whalen, CPA
Tom Daniels, CPA
Matt King, CPA, CA
Jacqueline Mullenger Public Rep
Laura MacLaughlin, CPA, CA
Helen Pecoskie, CPA, CGA

As per the Chartered Professional Accountants Act, Section 14(c)(ii), CPA Nova Scotia will apply the principle, “that for the first five years following the coming into force of the Act, the Board shall strive to include equal representation from legacy bodies, if it best serves the interest of the public.”

Best efforts have been demonstrated through:

- Public Call for Committee members
- Review of registry for committee members with Chair and Vice-Chair of the Board. Staff subsequently “cold-call” communications with the identified members.

REGISTRATION APPEALS COMMITTEE

Carol Barr

Pam Achenbach CPA, CA Chair
Eugene (Bud) Hurlburt, CPA, CA Vice Chair
Andrea Flinn CPA, CGA
Dagan Sorensen CPA, CMA
Colin White CPA, CMA
Scott Lytle Public Rep



CPA

CHARTERED
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