



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
NOVA SCOTIA

Annual Report 2021-2022

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Message from the Chair and President and CEO

Dear Members,

The year 2021 was again defined by the pandemic, and it presented both challenges and opportunities for CPA Nova Scotia and our members in ways that we could not have predicted as the year began. Looking back, we are most proud of the ways our staff led CPA Nova Scotia through significant disruption and uncertainty, and responded to our members while supporting each other. We continued to offer PD classes, practice inspections and discipline processes virtually and were able to host an in-person Convocation for our 2021 Graduates.

One hundred thirty-six CPA candidates completed the Common Final Examination and were welcomed into the profession. For the first time, CPA Canada offered two writings of its three-day final exam, one in May 2021 and one in September 2021. We expect this additional flexibility for candidates will continue in future years.

CPA Nova Scotia continues to focus on building long-lasting partnerships to grow our influence and ensure an adequate supply of future CPAs. In 2021, we reached a significant milestone by surpassing 5,000 members.

This is a time of abundant opportunity not only for individual CPAs but also for the profession. As professional accountants, we must adopt a mindset that enables us to keep up with the pace of change and adjust to the evolving expectations and needs of businesses and society. The possibilities are endless, and the range of roles that CPAs can fill is

expanding. Significant work has been invested into reimagining the profession for the future as well as the competency map that is the basis for the CPA pre-certification program. The Competency Map 2.0 will serve as a north star to guide CPAs through an ever-changing future and ensure that they remain the trusted leaders they have always been. There will also be a greater focus on enabling attributes such as innovation, collaboration, resiliency, and inclusivity as we continue to learn, lead, and grow.

Our main priorities are to ensure the public's protection and the profession's visibility. As a regulatory body, our primary purpose is to protect the public by adhering to The Chartered Professional Accountants Act of Nova Scotia (The Public Accountants Act), our bylaws, and international and national standards for the profession.

Our continued momentum is the result of our tremendous staff and the oversight and wise counsel of our Board of Directors. But, most importantly, it is you, the members, who continue to add value to the CPA profession and our public reputation through your work and integrity.

Sincerely,



Jamie O'Neil
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.

Jamie O'Neil, CPA, CA

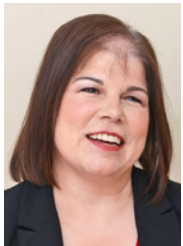
Chair



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.

Jacqueline E. Poirier, FCPA, FCGA

Vice-Chair



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.

Michael Hurley, CPA, CMA

Secretary/Treasurer



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.

Adrian Carty, CPA, CA



Adrian lives in Halifax, Nova Scotia, and is a graduate of NSCC and Saint Mary's University. He received his accounting designation in 2014. Adrian is the Commercial Finance Director for Sobeys' National Pharmacy Group, a network of 425 retail pharmacies, and is a member of Sobeys's

Diversity, Equity and Inclusion National Council. He also is a member of the Audit Committee for the Neighbourhood Pharmacy Association of Canada.

Indranil Dutta, CPA, CGA



As the Associate Director, Business Intelligence, at Dalhousie University's central Information Technology unit, Indranil is responsible for managing and enhancing the reporting environment that feeds the university's data driven decision making processes. Prior to this role, he had led teams for custom software

application development and enterprise-wide IT system deployments. He also has prior consulting experience in the petrochemical and power generation sectors. He has Master's Degrees in Business Administration and Engineering from Dalhousie University. In addition to his accounting designation, he also holds the Project Management Professional and Scrum Master certifications.

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.

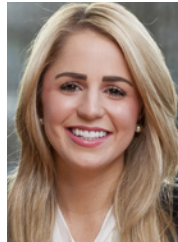
Daphne Jenkins, CPA, CA



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.

Laura Rees, CPA, CA



Laura is a Chartered Professional Accountant with a broad range of business experience. Born and raised in Nova Scotia, she completed her Bachelor of Commerce Co-op degree at Dalhousie University. After Dalhousie, she went on to complete her CPA while working for Bell Aliant. At Bell, Laura

worked in numerous business functions such as external financial reporting, enterprise risk management and internal reporting. She is currently a Senior Manager, Financial Planning and Analysis, at CapIntel Inc.

Kiki Kachafanas, CPA, CA



Kiki has been a member of the profession for 35 years and has spent her career in public practice. She works as the President/Managing Partner at hk CPA, in Sydney, Nova Scotia. She recently completed the Institute of Corporate Directors course offered by Rotman School of Business

at the University of Toronto.

Jeanne Saulnier, CPA, CMA



Jeanne is currently the COO for Totally Raw Pet Food. Jeanne's experience spans across both the public and private sector, and worked for the AVRCE, 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.

Ayorinde Makanjuola, CPA, CGA, ACCA (UK)



Ayo is currently the Chief Financial Officer of the Black Business Initiative in Halifax. Ayo has over 12 years of experience in public and corporate accounting and has provided audit and tax consulting services to industry sectors such as oil and gas, banking, manufacturing, and transportation. Ayo

serves on the Board of the YMCA of Greater Halifax/Dartmouth and as the Treasurer of the Ecology Action Center in Halifax.

Dr. Jeff Williams, BSc., DDS, MBA Public Representative



Jeff 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.

CEO & STAFF

CHIEF EXECUTIVE

Patti Towler, BA, JD, LL.M., 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.

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.

Kate Hurley Member Services Coordinator



Kate coordinates all member events including Convocation, Member Awards and PD Week. She also develops and maintains the Member Benefits Program, provides support for the Financial Literacy Program and other community-based initiatives, and assists with coordination and delivery of the Continuing Professional Development program. Prior to joining CPA Nova Scotia, Kate worked in the commercial real estate industry.

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

Coralee Lewis Director of Communications



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

Danielle Wisen Communications Coordinator



As the Communications Coordinator, Danielle manages CPA Nova Scotia's website, assists with events, and prepares member communications.

**CHARTERED PROFESSIONAL
ACCOUNTANTS OF NOVA SCOTIA**

NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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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, 2022 and the non-consolidated 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, 2022, and results of its non-consolidated 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 non-consolidated 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 non-consolidated 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
June 10, 2022



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, 2022**

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	2022	2021
	\$	\$
REVENUES		
Membership fees	2,483,319	2,415,130
Professional development	537,742	483,171
Practice inspections	205,940	168,871
Settlements and other	84,519	107,607
Investment income (net) (Note 11)	104,235	134,745
Convocation and membership dinners	<u>7,925</u>	<u>-</u>
	<u>3,423,680</u>	<u>3,309,524</u>
DIRECT EXPENSES		
Professional development	242,305	249,597
Practice inspections	150,321	125,704
Convocation and membership dinners	<u>37,379</u>	<u>30,991</u>
	<u>430,005</u>	<u>406,292</u>
NET REVENUE	<u>2,993,675</u>	<u>2,903,232</u>
OPERATING EXPENSES		
Accounting	15,500	15,100
Advertising and promotion	25,097	18,207
Amortization	20,236	17,040
Bank and credit card fees	76,129	82,612
Bad debts	23,689	-
Conduct professional fees	138,264	243,623
Governance	13,924	3,872
General legal	8,590	18,206
Insurance	11,699	11,345
Memberships and associations	11,051	12,815
Membership database	165,024	131,524
National shared costs (Note 12)	47,368	40,547
Office	79,752	68,171
Rent	293,767	299,609
Salaries and wages	1,527,561	1,403,645
Sub-contracting	2,498	14,525
Travel	<u>5,496</u>	<u>1,901</u>
	<u>2,465,645</u>	<u>2,382,742</u>
EXCESS OF REVENUES OVER EXPENSES	528,030	520,490
NET ASSETS - beginning of year	<u>2,232,437</u>	<u>1,711,947</u>
NET ASSETS - end of year	<u>2,760,467</u>	<u>2,232,437</u>


**CHARTERED PROFESSIONAL
ACCOUNTANTS OF NOVA SCOTIA
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

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	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash	2,930,639	2,706,625
Accounts receivable (Note 3)	299,747	306,834
Prepays	<u>207,772</u>	<u>238,637</u>
	3,438,158	3,252,096
INVESTMENTS (Note 4)	2,046,870	1,548,173
CAPITAL ASSETS (Note 5)	<u>45,122</u>	<u>52,712</u>
	<u>5,530,150</u>	<u>4,852,981</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	463,903	502,478
Current portion of lease inducements	48,855	48,855
Due to CPA Canada	233,554	190,485
Deferred revenue	<u>1,848,307</u>	<u>1,654,807</u>
	2,594,619	2,396,625
LEASE INDUCEMENTS (Note 7)	<u>175,064</u>	<u>223,919</u>
	<u>2,769,683</u>	<u>2,620,544</u>
NET ASSETS		
UNRESTRICTED	1,335,467	807,437
INTERNALLY RESTRICTED (Note 8)	<u>1,425,000</u>	<u>1,425,000</u>
	<u>2,760,467</u>	<u>2,232,437</u>
	<u>5,530,150</u>	<u>4,852,981</u>
COMMITMENTS (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, 2022**

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	2022	2021
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess of revenues over expenses	528,030	520,490
Items not affecting cash		
Amortization	20,236	17,040
Lease inducements	(48,855)	(43,154)
Unrealized (gain) loss on investments	(74,487)	(110,842)
	<u>424,924</u>	<u>383,534</u>
Changes in non-cash working capital items		
Accounts receivable	7,087	(117,539)
Prepays	30,865	(110,069)
Accounts payable and accrued liabilities	(38,575)	148,040
Due to CPA Canada	43,069	122,733
Deferred revenue	<u>193,500</u>	<u>404,231</u>
	<u>660,870</u>	<u>830,930</u>
INVESTING		
Acquisition of capital assets	(12,646)	(19,746)
Acquisition of investments	(636,319)	(193,010)
Proceeds on sale of investments	<u>212,109</u>	<u>174,547</u>
	<u>(436,856)</u>	<u>(38,209)</u>
CHANGE IN CASH	224,014	792,721
CASH - beginning of year	<u>2,706,625</u>	<u>1,913,904</u>
CASH - end of year	<u><u>2,930,639</u></u>	<u><u>2,706,625</u></u>

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**CHARTERED PROFESSIONAL
ACCOUNTANTS OF NOVA SCOTIA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

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, 2022, CPA Nova Scotia had 5,080 members (2021 - 4,922), including 4,127 members (2021 - 4,006) 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 entites

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(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.

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.

**CHARTERED PROFESSIONAL
ACCOUNTANTS OF NOVA SCOTIA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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.

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 collectibility of accounts receivable, useful lives of capital assets, fair value of investments, and certain accrued liabilities. Actual results could differ from those estimates.

3. ACCOUNTS RECEIVABLE	2022	2021
	\$	\$
Trade receivables	323,436	306,834
Allowance for doubtful accounts	<u>(23,689)</u>	<u>-</u>
	<u>299,747</u>	<u>306,834</u>

Included in trade receivables are \$2,465 (2021 - \$NIL) receivable from CPA Bermuda, \$8,813 (2021 - \$NIL) receivable from CPA PEI, \$38,500 (2021 - \$NIL) receivable from CPA Newfoundland, \$15,359 (2021 - \$11,010) receivable from CPA ASB, and \$47,648 (2021 - \$82,955) receivable from CPA Canada.

**CHARTERED PROFESSIONAL
ACCOUNTANTS OF NOVA SCOTIA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

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4. INVESTMENTS

	2022	2021
	\$	\$
Cash and cash equivalents	1,015,223	780,568
Equity - Canadian	723,408	447,279
Equity - US and International	11,243	14,755
Fixed income - Canadian	<u>296,996</u>	<u>305,571</u>
	<u>2,046,870</u>	<u>1,548,173</u>

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, 2022, the organizations investments are held in accordance with the investment policy.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2022	Net 2021
	\$	\$	\$	\$
Computer equipment	76,742	65,958	10,784	19,277
Furniture and fixtures	90,822	78,149	12,673	14,705
Leaseholds	<u>44,590</u>	<u>22,925</u>	<u>21,665</u>	<u>18,730</u>
	<u>212,154</u>	<u>167,032</u>	<u>45,122</u>	<u>52,712</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Accounts payable	118,455	54,838
Accrued liabilities	81,685	237,226
HST payable	<u>263,763</u>	<u>210,414</u>
	<u>463,903</u>	<u>502,478</u>

Included in accounts payable and accrued liabilities are \$52,281 (2021 - \$31,390) owing to CPA Alberta, \$NIL (2021 - \$1,148) owing to CPA PEI, \$21,040 (2021 - \$5,918) owing to CPA Newfoundland, and \$45,310 (2021 - \$82,206) owing to CPA ASB.

**CHARTERED PROFESSIONAL
ACCOUNTANTS OF NOVA SCOTIA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

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7. 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:

	2022	2021
	\$	\$
Lease inducements	421,610	421,610
Accumulated amortization	<u>(197,691)</u>	<u>(148,836)</u>
	223,919	272,774
Less current portion	<u>48,855</u>	<u>48,855</u>
	<u>175,064</u>	<u>223,919</u>

8. 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. The policy consists of \$1,425,000 internally restricted and \$575,000 unrestricted for a total value of \$2,000,000. Total net assets as of March 31, 2022 were \$2,760,467.

Subsequent to the year ended March 31, 2022, the Board of Directors of the Organization approved a transfer of \$580,000 on June 10, 2022 from unrestricted net assets to the CPA Nova Scotia Education Foundation (the "Foundation", see note 12). The transfer was made in support of the stated goals and mission of the Foundation.

**CHARTERED PROFESSIONAL
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NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
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9. 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:

	\$
2023	203,467
2024	203,467
2025	203,467
2026	203,467
2027	118,689

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 \$78,217 (2021 - \$74,107).

11. INVESTMENT INCOME (NET)

	2022	2021
	\$	\$
Interest	9,352	9,349
Dividends	19,161	19,274
Realized gain (loss) on investments	15,922	7,266
Unrealized gain (loss) on investments	74,487	110,842
Management fees	<u>(14,687)</u>	<u>(11,986)</u>
	<u>104,235</u>	<u>134,745</u>

12. RELATIONSHIPS WITH OTHER ORGANIZATIONS

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.

12. RELATIONSHIPS WITH OTHER ORGANIZATIONS (Continued)

During the year ended March 31, 2022, total dues of \$1,550,959 (2021 - \$1,590,608) 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 \$47,368 (2021 - \$40,547) 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, 2022, the Foundation had net assets of \$164,506 (2021 - \$166,838) and had an excess (deficit) of revenues over expenditures of \$(5,773) (2021 - \$40,848) for their fiscal period then ended.

During the year ended March 31, 2022, CPA Nova Scotia paid \$NIL (2021 - \$15,212) of general legal fees on behalf of the Foundation, which is included in the Organization's excess of revenues over expenses.

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, 2022. 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.

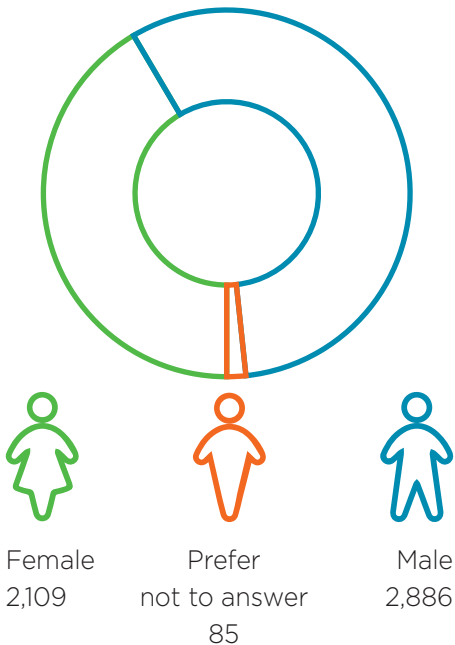
Liquidity risk

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.

TOTAL MEMBERSHIP
AS OF MARCH 31, 2022
5,080



MEMBERSHIP BY LOCATION



WHERE WE LIVE	NUMBER
Cape Breton	215
Central	418
Halifax/Dartmouth	3,248
South Shore	153
Valley	224
Yarmouth	81
Canada (Outside Nova Scotia)	330
Bermuda & Caribbean	180
USA	85
Other	61
Unknown	85

MEMBERS AT WORK



WHERE WE WORK	NUMBER
Business & Industry	2,040
Education	163
Public Practice	997
Government	613
Other	333
Retired	934

REGULATORY DATA

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	2021-2022	2020-2021	2019-2020
Complaints at beginning of year	11	11	17
Total complaints received during the year	20	19	12
Total complaints processed during the year	31	30	29
Complaints concluded during the year	23	19	18

ANALYSIS OF DISPOSITION OF COMPLAINTS

Total resolved by CEO/staff/Chair without being referred for further investigation	14	11	9
Resolved by Investigation Panel:			
Dismissed	3	2	2
Dismissed with warning, counsel, resolution agreement, undertaking or reprimand	3	4	5
Charges Referred to Discipline Committee	3	2	2
Total concluded by Investigation Panel	9	8	9

DISCIPLINARY PANEL ACTIVITIES

Settlement agreement approved by Discipline Committee to resolve charges of professional misconduct, incompetence or conduct unbecoming	0	2	1
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No formal disciplinary hearings on the merits were held.

Practice Inspection Results



SERVICES PROVIDED	Passed	Failed	Total	Rate
Audit, Review, Compilation	11	10	21	48%
Review, Compilation	10	3	13	23%
Compilation Only	26	2	28	7%
Total	47	15	62	24%

PROFESSIONAL DEVELOPMENT

Course Registrations

TOTAL REGISTRATIONS



TYPE	
Total registrations paid	3,760
Total registrations free	575
	4,335
Average course rating (46% response rate)	4.13/5

Course Registrations

SUMMARY REGISTRATIONS BY COMPETENCY FOR ALL COURSES



CATEGORY	NUMBER
Accounting & Assurance	447
Financial Reporting	75
Management Accounting	188
Finance	370
Information Technology	326
People Management & Personal Development	718
Ethics	432
Public Practice Management	0
Strategy & Governance	73
Canadian Tax	920
International Tax	0
Wealth Management	211
Total	3,760

OVERVIEW OF COMMITTEES



Board Committees

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Rodney Rodenhiser

Jacqueline E. Poirier, FCPA, FCGA
Mike Hurley, CPA, CMA
Calla Farn - Public Rep

GOVERNANCE COMMITTEE

Patti Towler

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Mike Hurley, CPA, CMA
Natalia Kochetova, PhD, FCPA, FCMA
Jackie Poirier, FCPA, FCGA

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Doug Reid, FCPA, FCA
Nancy Foran, FCPA, FCMA
John MacNeil, FCPA, FCA
Jackie Poirier, FCPA, FCGA

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Patti Towler

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Jacqueline E. Poirier, FCPA, FCGA - Vice Chair
Michael Hurley, CPA, CMA - Secretary/Treasurer

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Jamie O'Neil, CPA, CA
Jeff Williams - Public Rep



Statutory Committees

COMPLAINTS COMMITTEE

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Cheryl Inman, CPA, CA
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Darren Stroud, CPA, CA
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Lisa Jardine, CPA, CA
Jennifer Kooren - Public Rep
Bruce Langille - Public Rep
Scott Lytle, Public Rep

COMPLAINTS REVIEW COMMITTEE

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



Statutory Committees

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Julie Levesque-Lockyer, CPA, CMA
Kym Paquette, CPA, CA
Eric Tanton, CPA, CMA
Gwenda Wheelans, CPA, CA

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Carl Kent FCPA, FCA
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Darin McLean, CPA, CMA
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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

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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

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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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Chris (Alister) Hunston, CPA, CA
Chris Trenaman, CPA, CA
Carrie Rice – Public Rep



Statutory Committees

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Matt King, CPA, CA
Laura MacLaughlin, CPA, CA
Helen Pecoskie, CPA, CGA
Jacqueline Mullenger - Public Rep

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.”

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



CPA

CHARTERED
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