

2021 | 2022

ANNUAL REPORT



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
NEW BRUNSWICK

MISSION, VISION & VALUES

VISION

To develop and support the best professional business advisors.

MISSION

Enhancing the value of the Canadian CPA designation, we:

- Protect the public interest;
- Attract and support our members, candidates, and students; and
- Participate in improving the socio-economic condition of New Brunswick.

VALUES

CPA New Brunswick creates trust by:

- Acting with integrity;
- Fostering excellence;
- Being accountable;
- Working collaboratively;
- Being open-minded and nimble.

CPA New Brunswick is responsible for regulating the professional development of its members, and the protection of the public through its ethical standards and discipline process. CPA New Brunswick is also responsible for the training and certification of CPA Candidates.

CPAs work in every sector of New Brunswick. They are involved in a wide range of complex disciplines – from financial reporting, finance, and taxation; to strategy and governance, assurance, performance management, and information technology – and they volunteer their time and expertise for numerous community projects and charitable organizations.

Approximately 20% of CPAs work in public practice. The rest work in diverse sectors of industry including government, education, and the not-for-profit sector. They offer a strong set of accounting and managerial skills required for today's complex and evolving environment. These professional accountants are highly attractive to employers and recruiters for their solid training and expertise that contribute to improved efficiency and growth.

Throughout their professional careers, CPAs are subject to ongoing regulation to protect the public interest. Among other things, the Act provides for the regulation of members and firms, while the By-Laws assist to govern the operations of the Chartered Professional Accounting profession in New Brunswick.



2021-2022 CPA NB BOARD OF DIRECTORS

John Clark, FCPA, CA | Chair

Pierre S. Doiron, FCPA, FCGA | Vice-Chair

Janice Leahy, CPA, CA | Secretary

Lee V. Mitchell, CPA, CMA, CISA, CRISC | Director

Stephen Lund, FCPA, CA | Director

Tim J. Walker, CPA, CA | Director

Sandy Dalton, CPA, CGA | Director

Beverly Guimond, CPA, CMA | Director

Nathalie Boudreau, CPA, CA | Director

Carole Benoit, LL.B. M.Fisc. | Public Representative

Donald Hammond | Public Representative

CPA NB STAFF

Mylène Lapierre, CPA, CA, CFE, EMBA, FCG | President and Chief Executive Officer

Kristen Steeves, CPA, CGA | Chief Financial Officer

Olamide Lawal, CPA, CGA, CIA | Registrar & Manager, Regulatory Affairs

Jason Tasse | Manager, Marketing and Digital Communications

Danielle Pieroni | Manager, Business Development and Public Relations

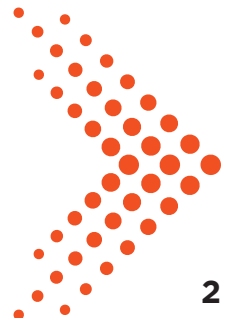
Renée Dupuis-Leon | Manager, Professional Development and Member Events

Louise Godin | Admissions & Compliance Officer

Simrat Kaur | Coordinator, Regulatory Affairs

Lynne Pitcher | Executive Assistant

Pascale Fortin-Daigle | Student Recruitment Advisor, CPA Atlantic School of Business



BOARD CHAIR AND PRESIDENT & CEO MESSAGE

Dear Members,

This has been an important year for CPA New Brunswick. We managed the ongoing impact of the COVID-19 pandemic while remaining future-focused, yet executing our strategic goals and priorities for the third, and last year of our 2019-2022 strategic plan. This strategic plan was focused on laying the foundation for the future. We accomplished the goals which were set in this plan: from fostering growth and development in member knowledge and skills, to increasing CPA brand awareness.

In early 2022, as part of its continuous improvement ethos, CPA New Brunswick embarked on a renewed Strategic Planning exercise, which included an environmental scan of the organization, a SWOT analysis, and the revision of the strategic Vision, Mission, and Values for CPA New Brunswick. Culminating in a special session with the Board of Directors, the strategic goals have been established, which will guide CPA NB's direction for the next three years. We look forward to sharing our 2023-2025 Strategic Plan with you soon!

The CPA New Brunswick Complaints & Discipline process has continued to improve its efficiency. During the 2021-2022 reporting period, CPA NB received and investigated seven (7) new complaints and closed ten (10) complaint files, including ongoing complaints from prior years.

During the 2021-2022 cycle, 39 practice inspections were conducted. The percentage of inspections requiring no further action, the submission of an acceptable action plan, and/or mandatory professional development courses has stayed relatively consistent at 80% from 2020-2021 compared to 79% in 2021-2022. We commend the efforts of our public practices as they strive to provide quality service to their clientèle.

With all the best intentions of offering a hybrid Fall CPD conference this year, all sessions were delivered virtually due to the province returning to a state of emergency in September. We finished our Fall CPD conference with 491 participants who purchased a total of 2,219 sessions. We also held a virtual Spring CPD conference where we ended with a total of 211 participants who purchased a total of 600 sessions.

CPA New Brunswick's Virtual Tax Clinic continues to be held as a provincial example of success, including a 61% increase of Francophones requesting an appointment for tax filing help in 2022.

In March 2022, we were finally able to host in-person Convocations to welcome our newest members from the pool of 2019, 2020 and 2021 successful CFE writers. CPA graduates have always met challenges head-on, and this group did it against an unprecedented backdrop, and showed great resiliency, flexibility, and tenacity.

We waited impatiently for a time when we could once again celebrate their achievements together, and this year we were finally able to do so. Since 2019, CPA New Brunswick has grown by 183 candidates, who successfully completed the Common Final Examination, and we are proud to welcome them to the CPA family!



A new awareness campaign called *Moving New Brunswick Forward* was also launched in September 2021, which has significantly grown the understanding of CPA New Brunswick's role throughout the province. The results achieved were outstanding; and overall, the campaign surpassed its initial objectives of engaging the public, our members, and important stakeholders.

Many new partnerships and sponsorships were created in 2021-2022. As a result, many presentations were delivered at various virtual and in-person events. The organization also received positive coverage on a provincial, Atlantic, and national level.

In closing, we wish to express our gratitude to the CPA NB staff, Board members, committee members, practice inspectors, volunteers, stakeholders, and you - our CPA members!

Your dedication and support toward to YOUR organization, despite the challenges of the COVID-19 environment, is a true testament to your belief in our profession, our mission to protect the public interest, and the importance of participating in the improvement of the socio-economic condition of New Brunswick. Thanks to all of you, we continue to build a strong foundation, which will benefit CPA New Brunswick's success and growth going forward.

Sincerely,



Handwritten signature of John Clark in black ink.

John Clark, FCPA, CA
Board Chair



Handwritten signature of Mylène Lapierre in black ink.

Mylène Lapierre, CPA, CA, CFE, EMBA, FGC
President & Chief Executive Officer



The 2021 Ethics "Virtual" Roadshow (3 repeated sessions in English & 2 repeated sessions in French) provided 1,716 CPD hours in professional ethics to 858 members.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CPA New Brunswick is a professional organization representing more than 3,000 active and retired members and 300 future CPAs in New Brunswick.

Each provincial CPA organization is a member of the Chartered Professional Accountants of Canada (CPA Canada), which represents more than 210,000 professional accountants across Canada and Bermuda, making it one of the top five accounting designations in the world.

Under the Chartered Professional Accountants Act, CPA New Brunswick is responsible for regulating the professional development of its members, and the protection of the public through its ethical standards and discipline process. CPA New Brunswick is also responsible for the training and certification of CPA candidates.

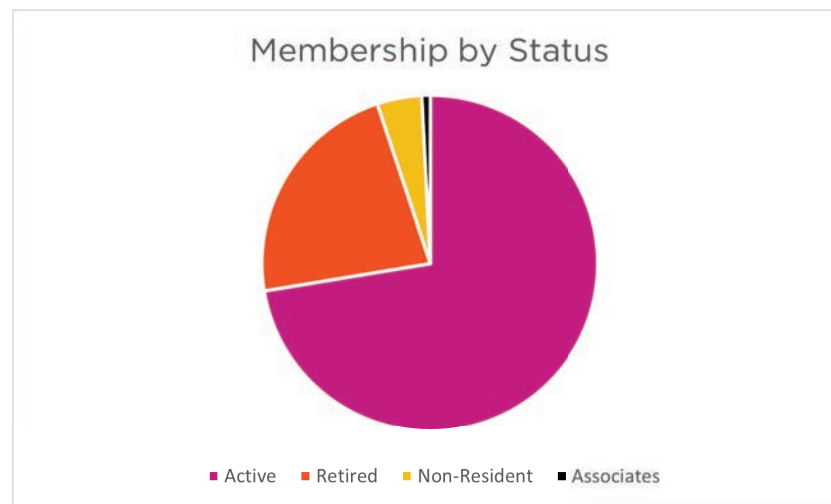


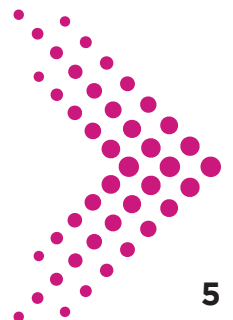
Figure 1: Membership by Status as of March 31, 2022 (2,239 Active, 696 Retired, 133 Non-Resident, 4 Associates)

Governance

CPA New Brunswick is governed by a Board of 11 members including two public representatives.

Six committees of the Board assist with governance:

- Audit Committee;
- Finance & Risk Committee;
- Governance Committee;
- Human Resource Committee;
- Member Recognition Committee;
- Nominating Committee.



CPA New Brunswick's regulatory responsibilities are also supported by the Complaints Committee, Hearing Committee, and Practice Inspection Committee.

This report is the third-year update of CPA New Brunswick's progress in achieving the strategic initiatives set out in the 2019 Strategic Plan. Throughout this past year, the President & CEO provided regular reporting on the success of these initiatives to the Board, explaining the progress towards achieving targets. All baseline information is taken with respect to the 2019 Strategic Plan unless otherwise specified.

Management Responsibility

Management is responsible for the preparation, presentation, and integrity of CPA New Brunswick's financial statements, and for maintaining and enforcing appropriate accounting and financial reporting principles, policies, and record retention practices. The primary responsibility for CPA New Brunswick's information systems, risk management and internal controls is likewise vested with management and overseen by the Board of Directors.

Management fulfills its financial reporting obligations via quarterly reports to the Board, with support from the Finance & Risk Committee, including forecasts to year-end, preparation of the annual budget, variance analysis, and publication of the annual report to both the membership and the public.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities with regard to financial reporting and internal controls. The Board carries out this responsibility primarily through the Finance & Risk Committee and the Audit Committee. The Audit Committee meets with auditors, both with and without management present, to review the activities of each, as well as to review the financial statements and to report to the Board thereon.

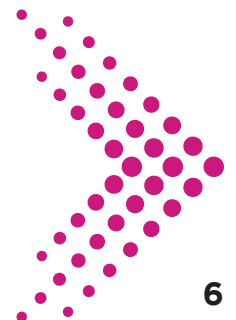
The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Management is responsible for maintaining appropriate internal controls to best ensure the preparation of financial statements which are free from material misstatement.

The information contained within this management discussion and analysis report is intended to both complement and supplement the audited financial statements. This report is prepared by internal management and is not audited.

Where applicable, the information is consistent with the audited financial statements.



CPA New Brunswick hosted 70 online sessions which were attended by 2,318 unique members. 303.50 CPD hours were offered, and 15,053 hours were credited to members.



2021-22 HIGHLIGHTS

The following is a summary of the more significant events which occurred during the course of the past year:

Global Pandemic

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus. In 2021-22, the world continued to face the consequences of the COVID-19 pandemic. A new variant spread rapidly while lockdowns and other restrictions on movement continued.

Throughout the year, CPA New Brunswick continued to adapt in accordance with public health guidelines.

CPA Convocation

Due to the fluctuating COVID restrictions over the past year, CPA New Brunswick was forced to adapt its traditional Convocation format to feature three smaller events in each of the province's major cities, which were held in March 2022. These events were complimentary to all attendees.

As this was our first in-person Convocation since early 2019, we were finally able to properly welcome and celebrate the achievements of our 183 newest members from the 2019, 2020 and 2021 pool of successful CFE writers.

However, based on the surveys received from CPA members, the preference was overwhelming to return to the traditional Convocation format of a formal dinner and gala.



Each of the public practices registered with CPA New Brunswick prior to or immediately following the unification of the legacy bodies in 2014 has undergone practice inspection at least twice.



2021-22 KEY INITIATIVES

In addition to the new initiatives discussed in the Chair and CEO messages, other new projects have also been undertaken which align with our five identified strategic pillars:

1 | Regulatory Excellence

CPA New Brunswick had a significant culture change: from regulatory-focused and rigorous, to innovative and collaborative. While the regulatory regime protecting the public interest and regulation will always be a core value, the organization raised the profile of its members and incorporated best practices for good governance.

A review of all governing and operating policies was made, two new governing policies were developed, and a new Board Policy Manual was created, which provides the foundation for implementing effective governance for the organization. Overall, CPA New Brunswick has fourteen (14) governing policies and thirteen (13) operating policies.

The 2021-2022 Complaints & Discipline annual report has been completed and will be released in the upcoming days. This report provides data on complaints received and finalized in 2021-2022, and identifies the most common breaches arising from the complaints finalized. During the 2021-2022 reporting period, CPA NB received and investigated seven (7) new complaints and closed ten (10) complaint files, including ongoing complaints from prior years. The CPA NB Complaints & Discipline process continues to be improved to make it more robust and efficient.

2 | Education and Knowledge Stewardship

This past fiscal year was still challenging as we navigated the lasting effects of the COVID-19 pandemic.

We held a CPD Conference in the Spring of 2021 (there was no Spring CPD Conference in 2020). We ended with a total of 211 participants who purchased a total of 600 sessions with a choice of 22 titles totalling 105 hours of CPD. Although we had planned on offering in-person, hybrid, and virtual sessions at the 2021 Fall conference, all sessions were delivered virtually via Zoom due to the province going back to a state of emergency in September. We finished our Fall CPD conference with 491 participants (503 participants in 2020), who purchased a total of 2,219 sessions (2,585 sessions in 2020).

A needs assessment survey was also sent to 2,529 members in December 2021. Based on the results, CPA members prefer to have the Spring Conference virtually, while a hybrid option should be considered for the 2022 Fall CPD Conference.

3 | Member Relevance

With the goal of raising the profile of its members, CPA NB increased its number of advocacy activities, ensuring government departments and businesses increasingly consult CPA NB on economic issues. Sharing the knowledge and experience of CPA members in financial and economic arenas for the benefit of all New Brunswickers helps to enhance the value of the CPA designation in the public eye.



Many new partnerships and sponsorships were created in 2021-2022. Through these collaborations, several presentations and speeches featuring CPA NB staff took place at various virtual and in-person events. To name a few: CPA New Brunswick co-presented a public dialogue on “Equity, Diversity, Inclusion, Anti-Racism;” was the Expression Sponsor of Atlantic Ballet Theatre’s “Ballet by the Ocean;” sponsored a variety of events with the Chambers of Commerce throughout the province (Businesses of Excellence, Top 20 under 40, Chamber College, etc.), had new partnerships with Junior Achievement and Venn Innovation; participated in the Love for Local campaign, and so on. On many occasions, the organization was also covered positively in provincial, Atlantic, and national news and/or magazines.

CPA New Brunswick’s Virtual Tax Clinic continues to be considered a provincial example of success. Again this year, many CPAs volunteered their time for our 2022 virtual tax clinic: 24 volunteer tax preparers; two Clinic Coordinators; one Lead Volunteer; as well as 35 CPAs who volunteered at 34 community tax clinics across the province. There has been a 61% increase in the number of Francophone clients who applied for tax filing help through our Virtual Tax Clinic in 2022.

CPA NB also continues to promote and provide free Financial Literacy education sessions for newcomers, adults, and seniors, adapting content to current circumstances and delivering virtual sessions. Ten CPA NB members delivered 22 Financial Literacy sessions to more than 500 participants at six different organizations (multicultural, workplace, First Nation, and NGOs) in 2021-2022.

4 | Thought Leadership

Positioning CPAs as trusted business advisors and problem-solvers with key stakeholders drove the demand for consulting our members on important portfolios, and increased the incidence of employers desiring/requiring CPA designations in their workforce.

The *Moving New Brunswick Forward* campaign was active from September to December 2021, which has significantly grown the awareness and understanding of CPA New Brunswick’s role throughout the province. The results achieved were outstanding:

- 257,548 Impressions;
- 90,996 People Reached;
- 59,751 Engagements;
- 1,872 Link Clicks;
- 196,874 Video Views.

Overall, the campaign surpassed its initial objectives by being able to engage the public, our members, and important stakeholders. Visibility of the CPA designation has increased in the province, and the organization now benefits from a solid presence on social media to build on.

On March 30th, two information sessions were presented for internationally-trained accountants, to encourage them to pursue membership with CPA NB. This pilot was in partnership with Opportunities New Brunswick (ONB) and the City of Moncton. There were 41 registrations for the French session, and 94 for the English. The presentations were successful, and they elicited many questions from participants during the Q&A portion, as well as to CPA NB and Atlantic School of Business staff after the presentation.



5 | Operational Effectiveness

CPA New Brunswick reviewed and modified its Employee Handbook this year. This employee handbook provides a summary of the policies, procedures and practices relating to employees of CPA New Brunswick. It includes the responsibilities of staff, operating policies, job descriptions, guidelines, forms, etc.

CPA NB's staff spent the year in the exploratory phase (planning and design) for a new membership database. This database is anticipated to go live in August 2022.



Atlantic Business Magazine
June 2021



The CEO Publication
November 2021

Best CPA Development & Support Organisation - Maritimes

CPA New Brunswick (CPA NB) is a professional organization representing more than 5,000 active and retired members and 500 future CPAs (Chartered Professional Accountants) in New Brunswick. Its vision is to develop and support the best professional business advisors, with a mission to protect the public interest, attract and support its members, candidates and students, and participate in improving the socio-economic condition of New Brunswick.

CPAs are more than just the traditional accounting and member-mentoring professionals. They are also business partners whose expertise is relevant to all aspects of an organization or business. Services CPA can offer include assurance (audit and review), tax planning, financial statements, human resource, estate administration and analysis, business valuations, process improvement, and so much more.

CPAs work in every sector of New Brunswick. They are involved in a wide range of complex disciplines, from business reporting, financial and taxation to strategy and governance, assurance, performance management, and information technology – and they advance their time and expertise for numerous community projects and charitable organizations.

The CPA designation is a mark of excellence, integrity, and reliability. After undergoing a rigorous education program and completing a lengthy qualifying exam, CPA candidates must complete 36 months of relevant professional experience in on-the-job training before becoming a full CPA. Once this has been achieved, our candidates receive CPA completion at least 120 hours of Continuing Professional Development every five years, including 36 hours in professional ethics.

Each provincial CPA organization is a member of the Chartered Professional Accountants of Canada (CPA Canada), which represents more than 225,000 professional accountants across Canada and Bermuda, making it one of the top five accounting designations in the world.

CPAs are broad-minded, forward-thinking professionals who undertake appropriate analysis, exercise good judgment, communicate effectively, and act to protect the public interest. Approximately 90% of CPAs work in public practice, while the rest work in other sectors such as government, education, and non-profit. With strong accounting and management skills, they are engaged in face-to-face, on-site and remote environments, and they are highly attractive to employers and recruiters for their solid training and expertise, which contributes to improved efficiency and growth.

Under the Chartered Professional Accountants Act (Chapter 28), CPA NB is responsible for regulating the professional development of its members, and the protection of the public through its ethical standards and disciplinary process. CPA NB is also responsible for the training and certification of CPA candidates.

CPA NB does not "sell" a product or service to its clients. It is to support the members in their efforts to gain insight and thereby to protect the public interest, and to contribute to the wellbeing of all New Brunswickers. This support is unique in the sense that the CPAs do not have a commercial interest in the company's success. In addition to continuing to work for the public, the organization also provides additional services to its members, including consulting, which is available to all members. During the initial months of the pandemic, staff personally calling public practitioners throughout the province to check on both their personal



Mihai Laporte, President & CEO of the Chartered Professional Accountants of New Brunswick

and professional wellbeing, and working with members from across Canada to fully support its Chartered Professional Development Commission (ignoring the fact 100% from superior sectors to other delivery with reduced pricing and a proven "traveler" schedule). This virtual delivery continued into the company's 2021 conference, as well as spring 2022.

As one of the first organizations in Canada to launch virtual tax clinics for the public in 2020, CPA NB also supported its community by helping people purchase their tax returns for their own peace and mind for those who needed help the most. After the pandemic forced the closure of all its planned in-person tax clinics, CPA NB quickly re-evaluated its tax services, they had planned and created an online-only offering to the public to assist them with filing tax returns while respecting social distancing requirements. Following the positive response from the public and press, CPA NB was the first CPA in a national pilot in 2021, and they are offering the virtual service for a third time in March 2022. CPA NB continues to promote and provide free financial literacy education sessions for children, adults, and seniors, adapting its content to take into account the current unusual circumstances.

With a great formula of integrity, fostering excellence, being accountable, working collaboratively, and being open-minded and flexible, CPA NB is not just a CPA NB, it is a community of professionals within Corporate World's Canadian Business Awards 2022. It is a reliable and trusted brand, always going above and beyond the expected expectations of its community.

Contacting CPA NB: New Brunswick
Email: info@cpanewbrunswick.ca
Website: www.cpanewbrunswick.ca

Corporate Vision Magazine
March 2022

▶ CPA NB continues to promote and provide free Financial Literacy education sessions for children, adults, and seniors, adapting content to current circumstances and delivering sessions virtually.

2021-22 FINANCIAL PERFORMANCE

The audited financial statements are included in this annual report.

CPA New Brunswick is financially sound, with net assets of \$2,898,774. It has sufficient cash and investments to meet its short to longer term needs and enable the development of strategic plans which will continue to maintain a financially sustainable organization.

Membership dues and other fees are billed annually and are due by March 31, which result in higher levels of cash and deferred revenue at that time.

Results from operations over the past year are in excess of revenue over expenditures of \$42,152 compared to the anticipated budget deficit of \$351,033. The following factors contributed to this variance:

- Cancellation of two formal Convocations events; these convocations were replaced with three smaller events held in the three major cities which resulted in lower overall expenses;
- All CPD sessions were virtual opposed to our initial budgeted plan to have both virtual and in person sessions;
- Following public health guidelines, in-person meetings and events were, for the most part, held virtually this past year. The actual expenses were therefore much lower than previously budgeted. We were unable to proceed with some initiatives which were planned and budgeted for, such as member recognition events and public relations initiatives.

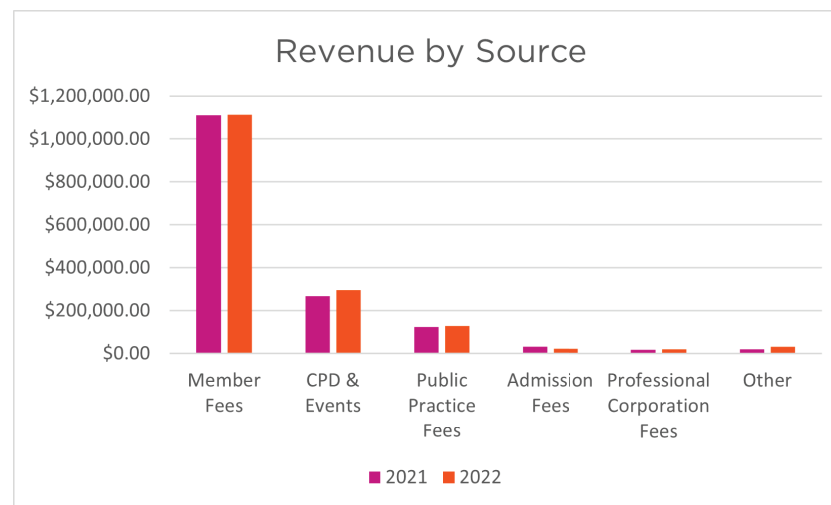
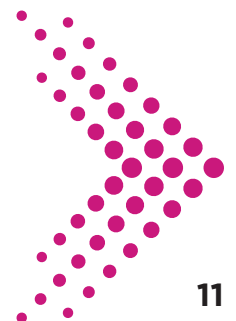


Figure 2: Revenue by Source



Annual membership dues and other fees are the primary source of revenue for the organization (see Figure 1). Current annual membership dues are very comparable to the previous year. It appears the current trend is for our total membership number to remain relatively stable as the number of new members being admitted into the organization is equivalent to the number of members choosing to retire or resign.

The professional development & events revenue was higher than the previous year, as the Spring conference was cancelled in the 2020-21 year.

Investment activities generated revenue of \$73,284 in the current year in comparison with revenue of \$185,131 from last year. After a strong 2021, global equity markets tumbled in the first months of 2022 amid concerns around higher inflation, tighter monetary policies, and an ongoing military conflict overseas. This resulted with an investment return that is lower than last year but very much aligned with the long-term return expectations of the current investment portfolio.

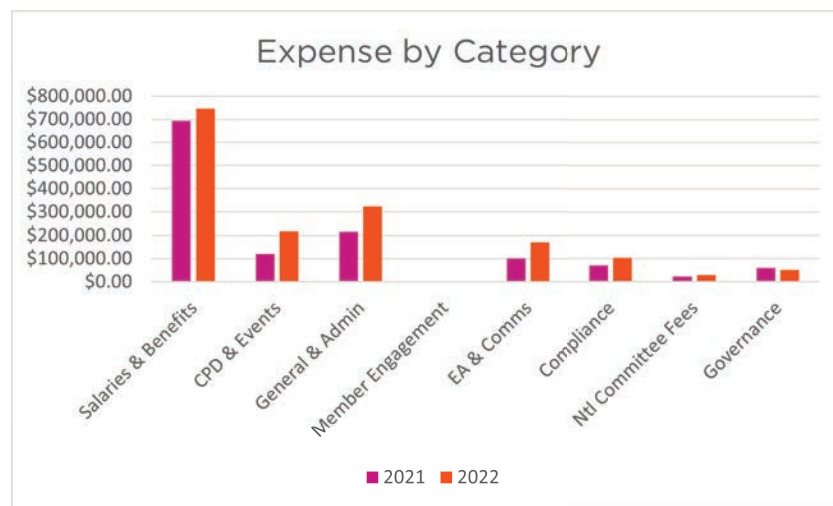


Figure 3: Expense by Category

CPA New Brunswick’s staff play vital roles in ensuring its efficient operations. Salaries and benefits were higher than the previous year due to a maternity leave resulting in staff changes throughout the year.

Due to having the 3 smaller convocations along with the spring conference, CPD and events expense was higher this current year.

General and administrative expenses are higher this current year due to the planning and design expenses for the new membership database. This database is anticipated to go live in August 2022.

With the continuing pandemic restrictions, member engagement, national committee fees and governance expenses were very comparable to last year.



External affairs and communications expenses were higher than the previous year, as despite the obstacles we did move forward on some of our key initiatives.

Compliance expenses were slightly higher than the previous year as this is all dependant on the variable nature of each complaint.



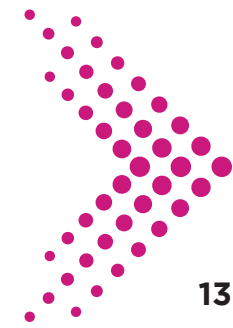
The CEO Publication
 Top 20 Dynamic CEOs 2021 Canadian Edition
 November 2021



Maritime [EDIT] Magazine
 Fall 2021



▶ From March 1 - 30, 2022, 165 anglophone clients and 62 francophone clients applied for tax filing help. Thanks to the many CPAs who volunteered at our virtual clinic (24 voluntary tax preparers; Clinic Coordinators Oluwaseun Adewumi and Teena Keswick; and Lead Volunteer Kelly MacKinnon), as well as the 35 CPAs who volunteered at 34 community tax clinics across the province in 2022.

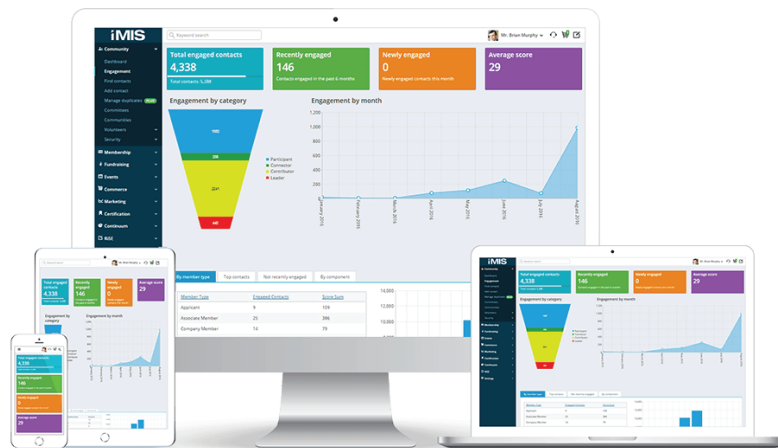


2022-2023 OUTLOOK

CPA New Brunswick will continue its efforts in fostering excellence and the ideals of good business by remaining transparent, relevant, and adaptable to change. We will work with our members, local and provincial governments, organizations, and other stakeholders to advocate and uphold our profession's reputation, value, and standards.

Amongst other things, in 2022-2023 CPA New Brunswick will:

- publish a report on the economic impact of New Brunswick's CPAs, which will include an assessment based on aggregate employment income data;
- publish research papers and increase its thought leadership initiatives;
- implement our new 2022-2025 strategic plan to effectively achieve the organizational goals and objectives for the upcoming three years;
- develop new member events and professional development strategic initiatives;
- implement a new membership database including a brand-new CPA NB website and interactive member experience portal. The official launch is expected in August 2022;
- increase collaboration with ASB, universities & PPR employers/employers to aid in the recruitment of new candidates.



▶ ***In 2022, CPA New Brunswick will be launching iMIS, a purpose-built EMS to meet the most important challenge facing organizations and non-profits: Engagement.***



FINANCIAL STATEMENTS

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK

Financial Statements

Year Ended March 31, 2022



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
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Year Ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Chartered Professional Accountants of New Brunswick

Opinion

We have audited the financial statements of Chartered Professional Accountants of New Brunswick (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

(continues)



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Teed Saunders Doyle

Fredericton, New Brunswick
June 13, 2022

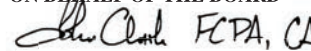
CHARTERED PROFESSIONAL ACCOUNTANTS




CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Statement of Financial Position
March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 4)</i>	\$ 3,006,632	\$ 2,973,735
Accounts receivable	139,038	152,372
Inventory	1,461	6,440
Prepaid expenses	76,103	84,537
	3,223,234	3,217,084
TANGIBLE CAPITAL ASSETS <i>(Note 5)</i>	32,114	49,284
LONG TERM INVESTMENTS <i>(Note 6)</i>	1,274,971	1,209,706
	\$ 4,530,319	\$ 4,476,074
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 197,972	\$ 192,043
Harmonized sales tax payable	171,026	169,718
Deferred revenue <i>(Note 7)</i>	1,257,788	1,250,552
Current portion of obligations under capital lease <i>(Note 8)</i>	2,379	2,379
	1,629,165	1,614,692
OBLIGATIONS UNDER CAPITAL LEASE <i>(Note 8)</i>	2,380	4,760
	1,631,545	1,619,452
NET ASSETS		
Invested in tangible capital assets	32,114	49,284
Unrestricted	2,747,368	2,623,486
Professional conduct reserve <i>(Note 9)</i>	119,292	183,852
	2,898,774	2,856,622
	\$ 4,530,319	\$ 4,476,074
CONTINGENT LIABILITY <i>(Note 12)</i>		
COMMITMENTS <i>(Note 10)</i>		

ON BEHALF OF THE BOARD

 FCPA, CA *Chair*

 *Secretary*

See notes to financial statements



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Statement of Changes in Net Assets
Year Ended March 31, 2022

	Invested in Tangible Capital Assets	Unrestricted	Professional conduct reserve	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 49,284	\$ 2,623,486	\$ 183,852	\$ 2,856,622	\$ 2,388,514
Excess (deficiency) of revenue over expenditures	(20,128)	126,840	(64,560)	42,152	468,108
Investment in tangible capital assets	2,958	(2,958)	-	-	-
NET ASSETS - END OF YEAR	\$ 32,114	\$ 2,747,368	\$ 119,292	\$ 2,898,774	\$ 2,856,622



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Statement of Revenues and Expenditures
Year Ended March 31, 2022

	2022	2021
REVENUE		
Member fees	\$ 1,113,133	\$ 1,109,585
Professional development and member events	296,184	267,159
Public practice fees	127,800	122,700
Admission fees	22,950	31,500
Professional corporation fees	19,358	18,575
Other	32,730	19,642
	<u>1,612,155</u>	<u>1,569,161</u>
EXPENDITURES		
Salaries and benefits	746,456	694,343
Professional development and events	219,505	119,658
General and administrative	301,922	198,616
Member engagement	1,507	867
External affairs and communications	170,407	101,583
Compliance	39,289	50,237
National committee fees	28,905	23,142
Governance	50,608	58,947
	<u>1,558,599</u>	<u>1,247,393</u>
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	<u>53,556</u>	<u>321,768</u>
INVESTMENT INCOME (EXPENSES)		
Investment income	24,343	18,060
Gain on disposal of investments	25,016	26,231
Other income	5,950	10,688
Unrealized gain (loss) on investments	19,868	161,986
Unrealized (loss) gain on foreign exchange	(1,893)	(31,834)
	<u>73,284</u>	<u>185,131</u>
	<u>126,840</u>	<u>506,899</u>
OTHER EXPENSES		
Amortization of tangible capital assets	20,128	18,531
Professional conduct reserve	64,560	20,260
	<u>84,688</u>	<u>38,791</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 42,152</u>	<u>\$ 468,108</u>



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK

Statement of Cash Flow
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 42,152	\$ 468,108
Items not affecting cash:		
Amortization	20,128	18,531
(Gain) loss on disposal of investments	(25,016)	(26,231)
Unrealized (gain) loss on investments	(19,868)	(161,986)
Unrealized loss (gain) on foreign exchange	1,893	31,834
	<u>19,289</u>	<u>330,256</u>
Changes in non-cash working capital:		
Accounts receivable	13,334	286,776
Inventory	4,979	4,949
Prepaid expenses	8,434	(31,348)
Accounts payable	5,929	(186,116)
Harmonized sales tax payable	1,308	(18,764)
Employee deductions payable	-	(1,749)
Deferred revenue	7,236	(25,886)
	<u>41,220</u>	<u>27,862</u>
	<u>60,509</u>	<u>358,118</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,958)	(9,970)
Purchase of long term investments	(367,014)	(363,479)
Disposal of long term investments <i>(Note 6)</i>	344,740	347,266
	<u>(25,232)</u>	<u>(26,183)</u>
FINANCING ACTIVITY		
Repayment of obligations under capital lease	(2,380)	(2,380)
INCREASE IN CASH	32,897	329,555
CASH - BEGINNING OF YEAR	<u>2,973,735</u>	<u>2,644,180</u>
CASH - END OF YEAR	<u>\$ 3,006,632</u>	<u>\$ 2,973,735</u>



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Notes to Financial Statements
Year Ended March 31, 2022

1. PURPOSE OF THE ORGANIZATION

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

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

Tangible capital assets

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

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

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

(continues)



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Notes to Financial Statements
Year Ended March 31, 2022

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

Financial instruments

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

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

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

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

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

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

Revenue recognition

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

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

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

Contributed services

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

(continues)



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended March 31, 2022

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

Use of estimates

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

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2022.

(a) Credit risk

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

(b) Liquidity risk

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

(c) Currency risk

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

(d) Interest rate risk

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

(e) Other price risk

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



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Notes to Financial Statements
Year Ended March 31, 2022

4. CASH AND CASH EQUIVALENTS

	2022	2021
Cash	\$ 2,546,268	\$ 2,973,735
Cash equivalents	460,364	-
	\$ 3,006,632	\$ 2,973,735

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

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment and software	\$ 46,611	\$ 25,957	\$ 20,654	\$ 32,648
Furniture and fixtures	31,866	21,760	10,106	14,632
Leasehold improvements	6,500	5,146	1,354	2,004
	\$ 84,977	\$ 52,863	\$ 32,114	\$ 49,284

The following asset included above is held under capital lease:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Photocopier	\$ 11,900	\$ 6,942	\$ 4,958	\$ 7,139

6. LONG TERM INVESTMENTS

	2022	2021
Cash	\$ 26,734	\$ 22,165
Fixed income securities	415,279	383,213
Equity investments	565,499	538,678
Mutual funds	256,698	256,928
Foreign securities and other	10,761	8,722
	\$ 1,274,971	\$ 1,209,706

As at March 31, 2022, the market value of investments includes accumulated unrealized gains of \$137,537 (2021 - unrealized gain \$117,358).



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Notes to Financial Statements
Year Ended March 31, 2022

7. DEFERRED REVENUE

	2022	2021
Member fees	\$ 1,250,163	\$ 1,228,462
Other	7,625	22,090
	\$ 1,257,788	\$ 1,250,552

8. OBLIGATIONS UNDER CAPITAL LEASE

The Organization has entered into a five year lease agreement with Office Interiors for a photocopier. The Organization considers the lease to be a capital lease. The lease is paid in quarterly payments of \$595 and matures on May 31, 2024. The balance remaining as of March 31, 2022 was \$4,759.

9. NET ASSETS - PROFESSIONAL CONDUCT RESERVE

The Organization has one large professional conduct complaint that is ongoing. Management currently estimates that costs of \$225,000 will be incurred. Costs incurred related to this complaint will be expensed as incurred and properly taken into account in determining net income for the applicable period. For 2022, hearing costs of \$64,560 (2021 - \$20,260) were incurred leaving the balance of the reserve of \$119,292 (2021 - \$183,852) ending March 31, 2022.

10. COMMITMENTS

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

2023	\$ 66,306
2024	66,306
2025	5,526
	\$ 138,138



CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended March 31, 2022

11. RELATED PARTY

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

CPA New Brunswick has an agreement with 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 utmost faith and trust to best serve the interests of the CPA profession and the public. Provincial bodies which govern Chartered Professional Accountants across Canada, such as CPA New Brunswick, fund the operations of CPA Canada through sharing national committee costs, marketing expenses, and collecting national member fees on its behalf.

The Organization remitted to CPA Canada fees totaling \$35,000 for the 2021-2022 year after March 31, 2021. Fees for 2022-2023 year collected on behalf of CPA Canada, in the amount of \$834,906, were remitted prior to March 31, 2022 and the remaining balance of \$23,100 is included in current accounts payable. These fees collected and remitted to CPA Canada by CPA New Brunswick on their behalf are not reflected in the Statement of Operations.

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

CPA New Brunswick 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.

12. CONTINGENT LIABILITY

The Organization is involved in and potentially subject to various claims by third parties arising out of the normal course and conduct of its business including, but not limited to, professional conduct liability, labour and employment standards, regulatory and possibly environmental claims. In addition, the Organization is involved in and potentially subject to regular audits from federal and provincial tax authorities relating to capital and commodity taxes and as a result of these audits may receive assessments and reassessments.

Although such matters cannot be predicted with certainty, management currently considers the Organization's exposure to such claims and litigation, to the extent not covered by insurance policies or otherwise provided for, not to be material to these financial statements

13. 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 \$27,842 (2021 - \$25,053).

14. SUBSEQUENT EVENTS

At the end of May 2022, CPA New Brunswick concluded an agreement to implement a new membership database including a brand-new CPA NB website and interactive member experience portal. The estimated investment for the implementation and last phase of this new system is \$356,000. The official launch is expected in August 2022.



2021-2022 CPA NEW BRUNSWICK COMMITTEES

Governance Committee

Beverly Guimond, CPA, CMA | Chair
John Clark, FCPA, CA
Pierre Doiron, FCPA, FCGA
Janice Leahy, CPA, CA
Lee Mitchell, CPA, CMA
Carole Benoit, LL.B. M.Fisc. | Public Representative
Mylène Lapierre, CPA, CA | ex officio

Human Resources Committee

Stephen Lund, FCPA, CA | Chair
Dan Rae, CPA, CGA
Carole Benoit, LL.B. M.Fisc. | Public Representative
Donald Hammond | Public Representative
Mylène Lapierre, CPA, CA | ex officio

Audit Committee

Sandy Dalton, CPA, CGA | Chair
Pierre Doiron, FCPA, FCGA
Nathalie Boudreau, CPA, CA
Donna Bovolaneas, FCPA, FCA
Mylène Lapierre, CPA, CA | ex officio

Finance & Risk Committee

Tim J. Walker, CPA, CA | Chair
Sandy Dalton, CPA, CGA
Stephen Lund, FCPA, CA
Nathalie Boudreau, CPA, CA
Beverly Guimond, CPA, CMA
Donald Hammond | Public Representative
Mylène Lapierre, CPA, CA | ex officio

Complaints Committee

David Ross, FCPA, FCA | Chair

Practice Inspection Committee

Janice Leahy, CPA, CA | Chair
Blair Northcott, CPA, CA
Lucie Nadeau, CPA, CA
Peter Spacek, CPA, CA
Sean Greene, CPA, CA
Caroline Roy, CPA, CGA
Olamide Lawal, CPA, CGA | CPA NB Staff Member

Hearing Committee

Luann Foster-Jones CPA, CA | Chair

Member Recognition Committee

Al Walker, FCPA, CA | Chair
Darrell Stewart, FCPA, FCGA
Paul Bérubé, FCPA, CA
Donna Bovolaneas, FCPA, FCA
Trisha Fournier-Hoyt, FCPA, FCGA
Janet Flowers, CPA, CA
Mike Lijeskic, CPA, CMA
Alexandra Ferris, CPA, CA
Vicky Therrien, CPA, CMA
Mylène Lapierre, CPA, CA | ex officio

Nominating Committee

John Clark, FCPA, CA | Chair
Glenn Leonard, CPA, CA
Étienne LeBœuf, CPA, CA
Terry LeBlanc, FCPA, FCGA



2021 FELLOWSHIP RECIPIENTS

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

We are proud to announce that **John Clark, FCPA, CA** and **Stephen Lund, FCPA, CA** have been selected to receive Fellowship, this year!



2021 EMERGING LEADER RECIPIENTS

The Emerging Leader Award celebrates members who distinguish themselves early in their CPA careers through professional achievement and volunteer service.

We are proud to announce that **Sunny Khosla, CPA** and **Jessica Boutot, CPA** have been selected to receive the Emerging Leader award, this year!





CPA

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