

2022 | 2023

ANNUAL REPORT



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
NEW BRUNSWICK

2022-2025 STRATEGIC PLAN

VISION

Our vision is to move New Brunswick forward through an inspired and engaged membership of future-focused professionals.

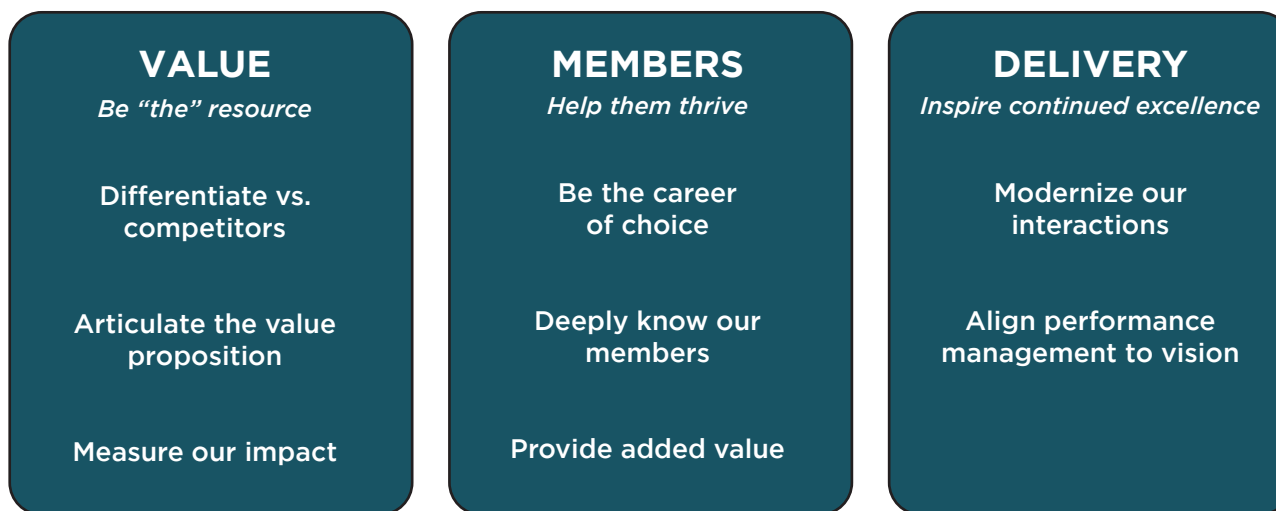
MISSION

Our mission is to enhance the value of the Canadian CPA designation, by: protecting the public interest; attracting and supporting our members, candidates, and students; and participating in improving the socio-economic condition of New Brunswick.

VALUES

Our values are Transparency, Collaboration, Excellence, Integrity and Innovation.

STRATEGIC GOALS



2022-2023 CPA NB BOARD OF DIRECTORS

Pierre S. Doiron, FCPA, FCGA | Chair
Janice M. Leahy, CPA, CA | Vice-Chair
Sandy J. Dalton, CPA, CGA | Secretary
Nathalie Boudreau, CPA, CA | Director
Beverly Guimond, CPA, CMA | Director
Jennifer Langille, CPA, CMA | Director
Stephen M. Lund, FCPA, CA | Director
Tim J. Walker, CPA, CA | Director
Carolyn Wong, CPA, CGA | Director
Carole Benoit, LL.B. M.Fisc. | Public Representative
Donald Hammond | Public Representative

CPA NB STAFF

Mylène Lapierre, CPA, CA, CFE, EMBA, FCG, Pro.Dir. | President and Chief Executive Officer
Kristen Steeves, CPA, CGA | Chief Financial Officer
Olamide Lawal, CPA, CGA, CIA | Registrar & Director, 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
Chantal Sirois | Administrative Assistant

BOARD CHAIR AND PRESIDENT & CEO MESSAGE

Dear Members,

We are delighted to present our CPA New Brunswick annual report for the fiscal year ending on March 31, 2023.

As the Board Chair and President & CEO of CPA New Brunswick, we are excited to share our achievements and advancements in fulfilling our mission of enhancing the value of the Canadian CPA designation by protecting the public interest, attracting and supporting our members, candidates, and students, and participating in improving the socio-economic condition of New Brunswick.

The past year has been a momentous one for our organization as we embarked on a journey to shape the future of the CPA profession. We are thrilled to unveil our new three-year strategic plan, which will chart our course for the coming years.

This plan reflects our commitment to continuous improvement, innovation, and moving New Brunswick forward through an inspired and engaged membership of future-focused professionals.

Our strategic plan is built upon a strong foundation of collaboration, engagement, and inclusivity. We have engaged various stakeholders, partners, and you, our members, both to gain valuable insights and to ensure that our strategic priorities align with the evolving needs of the profession. This inclusive approach has allowed us to develop a comprehensive roadmap addressing emerging challenges and to capitalize on new opportunities.

Our strategic plan revolves around three key pillars:

- Being “the” resource
- Helping them thrive
- Inspiring continued excellence

Each strategic pillar encompasses specific initiatives and actions which will drive our organization forward over the next three years.

In the past year, we have made significant strides in laying the groundwork for the implementation of this new strategic plan. We have conducted in-depth research, engaged with stakeholders, and initiated the necessary preparations to execute our strategic initiatives.

Our focus has been on enhancing our internal capabilities and streamlining processes such as the implementation of our new membership database last September, and building partnerships – such as a new immigration program and the relationships built in the school environment, which will drive our strategic priorities forward.

Looking ahead, we are excited about the opportunities that lie before us. Our strategic plan will guide our actions and

initiatives as we strive to promote professional excellence and strengthen the overall governance and financial management of CPA New Brunswick.

We remain committed to transparency, accountability, and ethical practices, ensuring the public's trust in both the CPA profession and its members.

In conclusion, we extend our gratitude to our members, stakeholders, and partners for their unwavering support, collaboration, and dedication to our shared vision. Together, we will shape the future of the CPA profession, driving positive change and fostering a robust and sustainable organization.

Sincerely,



Pierre S. Doiron

Pierre S. Doiron, FCPA, FCGA
Board Chair



Mylène Lapierre

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



Mylène Lapierre signs a Mutual Recognition Agreement with L'Ordre des Experts-Comptables de France.



Mylène Lapierre, Olamide Lawal, & Simrat Kaur meet Sean Fraser, Minister of Immigration, Refugees and Citizenship at the CPA NB-sponsored Deloitte luncheon.



Mylène Lapierre delivers greetings at the Parliamentary Luncheon with Ginette Petitpas-Taylor, Minister of Official Languages and Minister responsible for ACOA.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CPA New Brunswick is a professional organization representing more than 3,100 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 217,000 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.

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.

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.



Staff proud to celebrate Mylène Lapierre's being named a Top 50 CEO by Atlantic Business Magazine in May 2022.



The CPA NB team volunteering for Laubach Literacy's 2022 Bookstravaganza! in September 2022.



CPA NB was a proud sponsor of Local Fest in October 2022.



Mylène Lapierre presents exiting Board Chair John Clark, FCPA, CA, with a plaque in recognition of his service to the profession at the 2022 AGM.



Mylène Lapierre at the Confronting Systemic Racism in NB event, presented by Dialogue NB and CPA New Brunswick in May 2022.



Mylène Lapierre attending the 77e Congrès de l'Ordre des experts-comptables in Paris, France, in September 2022.

2022-23 HIGHLIGHTS

2023 CPA Convocation

This year, we saw a return of the traditional dinner and dance format for convocation at the Fredericton Convention Centre, and guests were not disappointed. We celebrated and welcomed 51 out of our 65 newest members at this event with 360 of their colleagues, friends and family members. We also presented two distinguished members with their FCPA designations.



Education and Knowledge Stewardship

The past few years have definitely shifted how members want to receive their CPD, and we have adjusted accordingly.

Back by popular demand, this year's Spring CPD Program was offered entirely via Zoom and welcomed 181 participants online who purchased a total of 517 sessions from a choice of 19 titles totaling 105 hours of verifiable CPD.

The Fall CPD Conference finally saw us presenting in person. However, based on recent surveys indicating a split between members' preference for in person vs. Zoom, we opted to split the session formats accordingly. Out of the 427 participants, 196 attended in-person sessions at the Fredericton Convention Centre. A total of 1,581 sessions were purchased with a choice of 35 titles totaling 189 hours of verifiable CPD, of which 91 hours were offered in person.

In addition to the above, we also offered two complimentary 2-hour live virtual courses in ethics: one in English which looked at ethics and ethical behaviour; and the other in French on *L'éthique et la technologie*. We also presented 3 in-person lunch and learn sessions on the NB economy hosted by chapters, and two complimentary live virtual lunch and learn sessions: one on *Kick-off to the Personal Tax Season*; the other on Inclusive Language.

Lastly, 438 on demand sessions were purchased with a choice of 90 titles totaling 301 hours of verifiable CPD, including 25.5 hours of verifiable CPD in ethics.

2022-23 KEY INITIATIVES

In addition to the new initiatives discussed in the Chair and CEO message, other new projects have also been undertaken which align with our three-year strategic goals:

Practice Inspections

In the 2022-2023 inspection cycle beginning September 2022, the Practice Inspection Committee (“PIC”) inspected thirty-five (35) public practices, including 181 files spanning different types of engagement. The percentage of inspections requiring no further action, the submission of an acceptable action plan, and/or only mandatory professional development courses was 69% in 2022-2023 (2021-2022: 79%). The remaining firms had significant deficiencies requiring remedial actions, including reinspection, among other consequences.

We commend the efforts of our public practices in striving to provide quality service to members of the public. The responsibility for quality comes with the opportunity for continuous improvement, and we continue to encourage public practices in this regard.

2022 CPD Audit Summary

The 2022 CPD Audit was conducted during the Fall of 2022. The CPD audit requires assessing members’ compliance with CPD requirements for the 2021 fiscal year and the three-year rolling period of 2019-2020-2021.

The selection for the Continuing Professional Development Audit was risk-based, and it comprised members representative of the different categories of the total CPA New Brunswick (CPA NB) active member population.

Seventy-one members were selected for the CPD Audit in accordance with the CPA NB selection methodology. Out of the total members selected, 91% of members complied with the CPD requirements, while the remaining 9% of members had outstanding hours to fulfil to meet the CPD requirements with plans submitted to take the appropriate course of action. CPA New Brunswick appreciates its members’ efforts in maintaining up-to-date knowledge in their respective work areas and positively representing the CPA brand.

Community Volunteer Income Tax Clinics

52 CPA NB members participated in the Community Volunteer Income Tax Program in 2023, 20 of whom volunteered for CPA NB’s 4th Annual Virtual Tax Clinic from March 1 - March 30. Our thanks to these dedicated members, in particular Lead Volunteer Kelly MacKinnon; and Clinic Coordinators Phyllis Kuzoe and Oluwaseun Adewumi.

New in 2023: we offered Russian & Ukrainian-language service, through extraordinary member volunteer Olesya Hladkova.

Our clinic was so popular this year that, for the first time, we had to temporarily pause it while we caught up on the many applications we received.

We received the following applications to our Virtual Tax Clinics:

- 53 Francophones
- 244 Anglophones
- 126 Ukrainian-language applicants

Financial Literacy

CPA New Brunswick member volunteers were once again active in delivering Financial Literacy sessions to schools, multicultural associations, libraries, and other groups across the province. A total of 52 Financial Literacy sessions were delivered in New Brunswick in 2022 - 2023.

Additionally, CPA volunteers participated as panel members in Junior Achievement's World of Choices program, where they spoke to students about their career path; and as judges for the high school PitchFest competition in November 2022. CPA NB entered into a Collaborative Partnership Agreement with Education and Early Childhood Development's Centre for Excellence in Entrepreneurship. We sponsored their Financial Literacy week in November 2022, reaching 705 elementary, middle, and high school students across the province.

New Brunswick CPAs: An Economic Impact Report

As part of its commitment to move the New Brunswick economy forward, CPA New Brunswick has issued an Economic Impact Report on the considerable economic contributions made by CPAs. The report highlights that the total compensation paid to CPAs, combined with indirect and induced economic activity, boosted provincial GDP by an estimated \$418 million in 2021. This represents nearly 1.4% of total provincial GDP, and a contribution similar to the total tourism industry in the province.

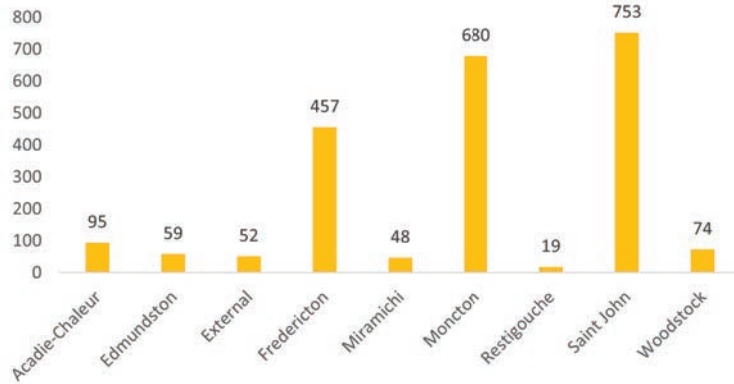
Prepared by Jupia Consultants, this report makes the case that a focused effort should be made to ensure the CPA workforce and talent pipeline continues to thrive in New Brunswick. Originally issued in June 2022, an updated version, based on additional data from Statistics Canada, was released in March 2023.

Workforce of the Future Conference

In collaboration with the Southeast Labour Market Partnership initiative, The Chamber of Commerce for Greater Moncton, and 3+ Corporation, CPA NB sponsored this event which delivered information to business leaders on the state of the local labour market and provided progress reports on efforts to build workforce attraction, retention, talent development, and labour market data plans. CPA NB's Manager, Business Development and Public Relations, was the Panel Facilitator on the Hybrid Work Model Post-Pandemic session.

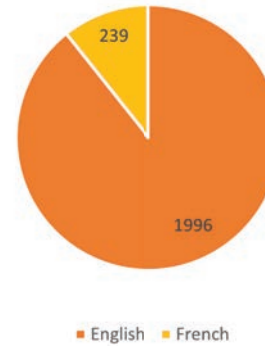
MEMBERSHIP BY THE NUMBERS

Active Members by Chapter



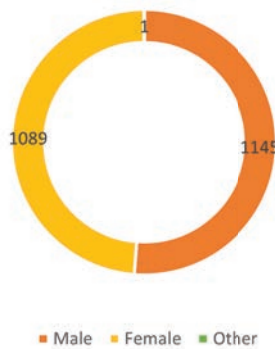
Based on active members who selected their chapter upon renewal of their membership.

Active Members by Preferred Language



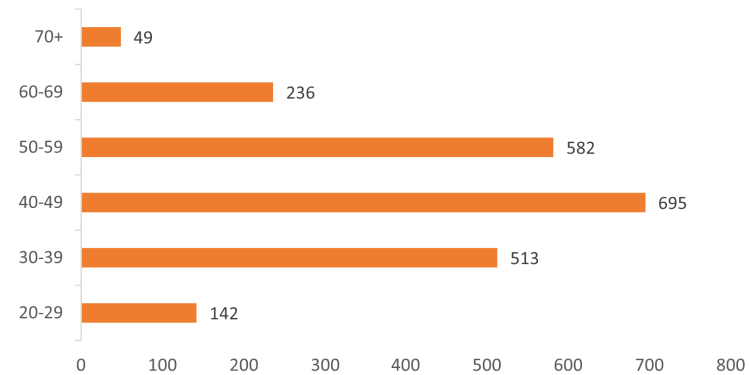
Based on active members who confirmed their primary language preference upon renewal of their membership.

Active Members by Identified Gender



Based on active members who self-identified upon renewal of their membership.

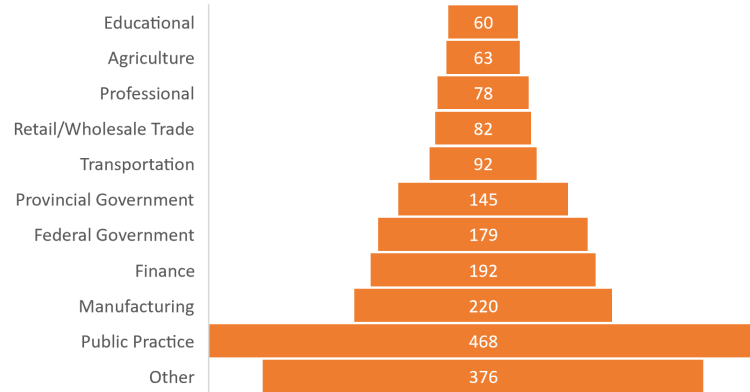
Active Members by Age Group



Based on the birth dates of all active members.

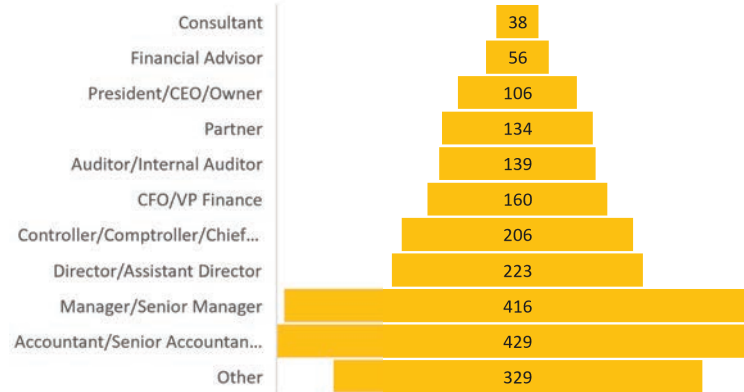
MEMBERSHIP BY THE NUMBERS (CONT.)

Top 10 Employment Sectors



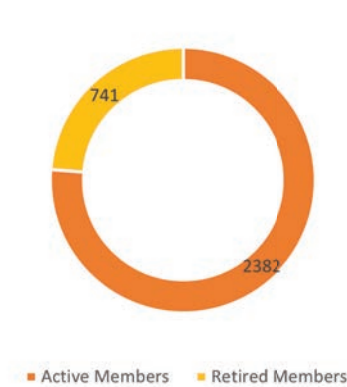
Based on active members who selected their sector upon renewal of their membership.

Top 10 Titles for CPAs



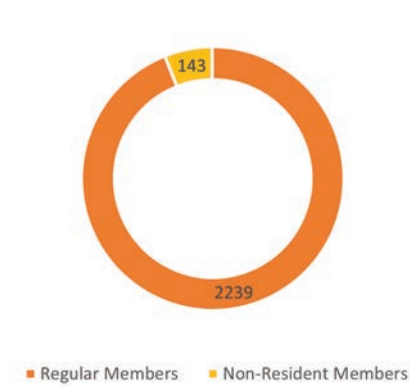
Based on active members who updated their functional title upon renewal of their membership.

Active & Retired Members



Active & Retired (regular and non-resident) members as of March 31, 2023.

Active & Non-Resident Members



As of March 31, 2023.

2022-23 FINANCIAL PERFORMANCE

The audited financial statements are included in this annual report.

CPA New Brunswick is financially sound, with net assets of \$2,865,174. 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.

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

Results from operations over the past year are in a deficit of revenue over expenditures of \$33,600 compared to the anticipated budget deficit of \$345,384. The following factors contributed to this variance:

- the strategic plan and objectives were finalized after the budget was prepared and approved – this resulted with prioritizing different initiatives in year one to align with the new plan.
- a student recruitment campaign was budgeted but as the year progressed collaboration began with CPA Atlantic School of Business to work on student recruitment initiatives so expenses were minimized.
- the timing of the legal expenses for our one large discipline case.
- we had budgeted expensing implementation costs of the new member database where as all implementation costs were capitalized (see below).

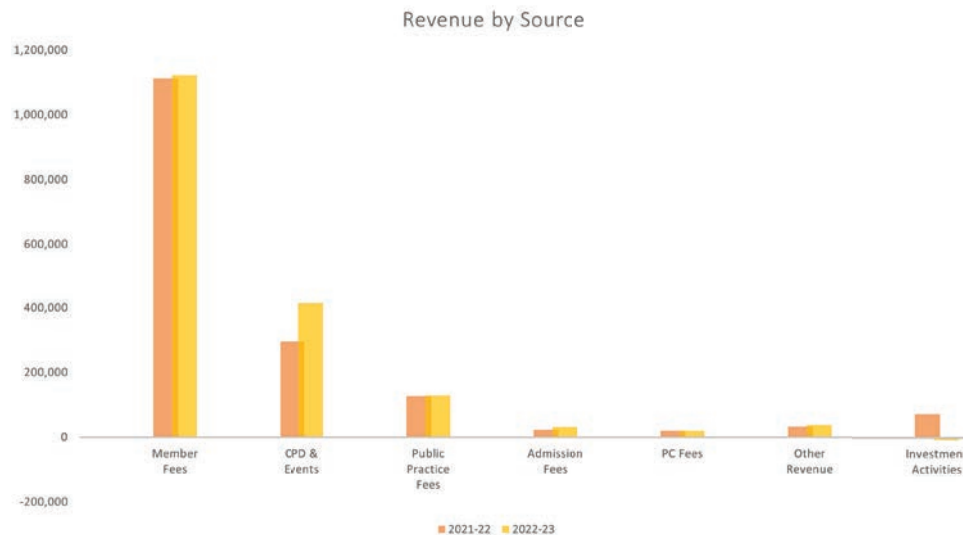


Figure 1: Revenue by Source

Annual membership fees are the primary source of revenue for the organization (see Figure 1). Current annual membership fees are very comparable to the previous year. It appears our total membership number remained relatively stable this past year as the number of new members being admitted into the organization was equivalent to the number of members choosing to retire or resign; however, we do note a shift in this balance as our membership ages. Recruitment strategies are very much part of our strategic plan for the upcoming years.

The professional development & events revenue was higher than the previous year as fall registrations and on-demand CPD sessions far exceeded the 2021/2022 year. We also had convocation ticket sales this year as the traditional convocation ceremony was held in February for our new graduates.

Investment activities generated a loss of \$6,199 in the current year in comparison with revenue of \$73,284 from last year. This past year was very challenging for all investors as all asset classes were impacted by the events that unfolded throughout all of 2022. Most markets, including the traditionally safer bond markets, finished in the red at the end of the 2022 calendar year. In fact, the only main asset class that finished the year in positive territory in 2022, was cash.

While navigating these troubled waters, our portfolio managers still managed to obtain better than market returns for the period and do expect things to turn for the better and normalize within the next 12-18 months.

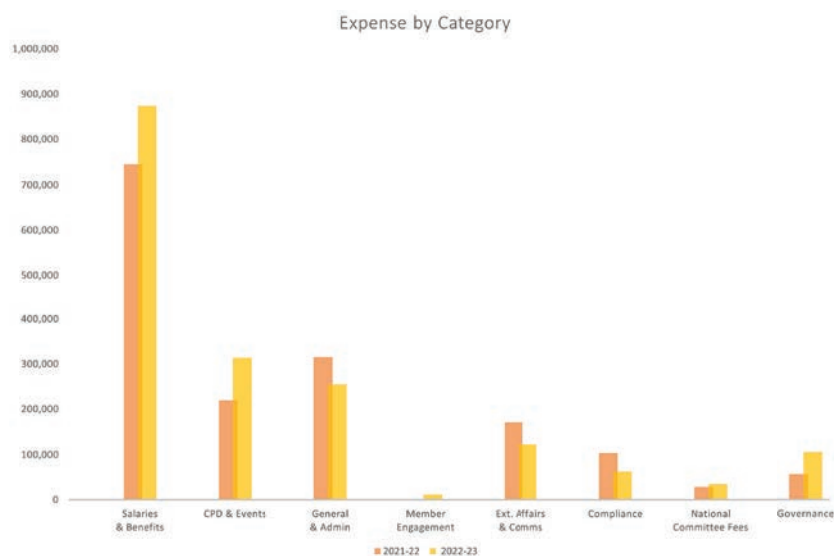


Figure 2: Expense by Category

CPA New Brunswick’s staff play vital roles in ensuring its efficient operations. Salaries & Benefits was higher than the previous year due to two new staff members joining the team this past year resulting in increased wages, benefits etc.

Due to having a hybrid fall conference this year, the CPD expenses are substantially higher with the in-person conference week opposed to a wholly virtual conference.

General & Administrative Expenses are lower this current year due to capitalizing all the implementation expenses for the new membership database; where as the previous year included planning and design expenses. The new database went live September 1st which included a new website and member portal.

Member Engagement was higher than the previous year as covid restrictions have been lifted allowing a few engagement events throughout the year.

External Affairs and Communications expenses were lower than the previous year, as we did not spend as much on research and public relations due to the prioritizing of strategic objectives with the implementation of our strategic plan in April.

Compliance expenses are lower than the previous year as this is all dependant on the variable nature of each complaint. Governance expenses are higher than last year due to recommencing Board of Directors in person meetings again along with a hybrid AGM this past June.



Centre of Excellence for Entrepreneurship Financial Literacy Week Pizza Party sponsored by CPA New Brunswick.



Danielle Pieroni serves as Atlantic Representative to CPA Canada's Indigenous Initiatives Guidance Committee, pictured here at the 21st National AFOA Canada Conference in Ottawa.



Diane Lebouthillier, Minister of National Revenue, meeting CPAs who give their time for free to do the taxes of those who need it most.



Krista Ross, Fredericton Chamber CEO; Danielle Pieroni; Stanley Barnaby, Joint Economic Development Initiative CEO at the inaugural Indigenous Business Forum.



The CPA NB team volunteered at the Peter McKee Food Bank in December 2022.



Renée Dupuis-Leon from CPA NB presents a cheque for \$1,500 to The Chalmers Foundation following the 2023 Convocation.

2023-2024 OUTLOOK

CPA New Brunswick will continue its efforts in fostering excellence and 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 uphold our profession's reputation, value, and standards.

Amongst other things, in 2023-2024 CPA New Brunswick will:

- publish a CPA NB Total Compensation Survey for Accountants in New Brunswick;
- develop new member events for engagement and professional development;
- implement more interactive tools through the new membership database focusing on survey results of the member needs assessment;
- increase collaboration with CPA Atlantic School of Business, universities, different countries & PPR employers/employers to aid in the recruitment of new candidates.



Danielle Pieroni, representing CPA NB at the Youth Mental Health Summit in November 2022.



CPA NB Board member Donald Hammond and President & CEO Mylène Lapierre at the 2023 State of the Tri-Communities Breakfast.



Speaker and Economist David Campbell at the "NB Economy: CPAs Impact and Future Opportunities" member luncheon in Moncton.

2022-2023 AUDITED FINANCIAL STATEMENTS

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK

Financial Statements

Year Ended March 31, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
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Year Ended March 31, 2023

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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, 2023, 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, 2023, 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.





Fredericton, New Brunswick
June 2, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Statement of Financial Position
March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 4)</i>	\$ 2,858,365	\$ 3,006,632
Accounts receivable	181,995	139,038
Inventory	2,002	1,461
Prepaid expenses	61,233	76,103
	3,103,595	3,223,234
TANGIBLE CAPITAL ASSETS <i>(Note 5)</i>	19,958	32,114
INTANGIBLE ASSETS <i>(Note 6)</i>	335,971	-
LONG TERM INVESTMENTS <i>(Note 7)</i>	1,239,090	1,274,971
	\$ 4,698,614	\$ 4,530,319
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 245,834	\$ 197,972
Harmonized sales tax payable	190,456	171,026
Deferred revenue <i>(Note 8)</i>	1,394,770	1,257,788
Current portion of obligations under capital lease <i>(Note 9)</i>	2,380	2,379
	1,833,440	1,629,165
OBLIGATIONS UNDER CAPITAL LEASE <i>(Note 9)</i>	-	2,380
	1,833,440	1,631,545
NET ASSETS		
Invested in tangible capital assets/intangible assets	355,927	32,114
Unrestricted	2,437,044	2,747,368
Professional conduct reserve <i>(Note 12)</i>	72,203	119,292
	2,865,174	2,898,774
	\$ 4,698,614	\$ 4,530,319
CONTINGENT LIABILITY <i>(Note 10)</i>		
COMMITMENTS <i>(Note 11)</i>		

ON BEHALF OF THE BOARD

 Chair
 Secretary

See notes to financial statements

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Statement of Changes in Net Assets
Year Ended March 31, 2023

	Invested in Tangible Capital Assets/ Intangible Assets	Unrestricted	Professional conduct reserve	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 32,114	\$ 2,747,368	\$ 119,292	\$ 2,898,774	\$ 2,856,622
Excess (deficiency) of revenue over expenditures	(42,877)	56,366	(47,089)	(33,600)	42,152
Investment in tangible capital assets/intangible assets	366,690	(366,690)	-	-	-
NET ASSETS - END OF YEAR	\$ 355,927	\$ 2,437,044	\$ 72,203	\$ 2,865,174	\$ 2,898,774

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	2023	2022
REVENUE		
Member fees	\$ 1,123,048	\$ 1,113,133
Professional development and member events	415,084	296,184
Public practice fees	128,900	127,800
Admission fees	31,875	22,950
Professional corporation fees	19,417	19,358
Other	38,010	32,730
	<u>1,756,334</u>	<u>1,612,155</u>
EXPENDITURES		
Salaries and benefits	874,377	746,456
Professional development and events	314,031	219,505
General and administrative	219,936	301,922
Member engagement	11,676	1,507
External affairs and communications	122,998	170,407
Compliance	15,549	39,289
National committee fees	35,411	28,905
Governance	99,791	50,608
	<u>1,693,769</u>	<u>1,558,599</u>
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	<u>62,565</u>	<u>53,556</u>
INVESTMENT INCOME (EXPENSES)		
Investment income	49,439	30,293
(Loss) Gain on disposal of investments	(14,721)	25,016
Unrealized (loss) gain on investments	(60,819)	19,868
Unrealized gain (loss) on foreign exchange	19,902	(1,893)
	<u>(6,199)</u>	<u>73,284</u>
	<u>56,366</u>	<u>126,840</u>
OTHER EXPENSES		
Amortization of tangible capital assets	21,015	20,128
Amortization of intangible assets	20,812	-
Loss on disposal of tangible capital assets	1,050	-
	<u>42,877</u>	<u>20,128</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE PROFESSIONAL CONDUCT RESERVE EXPENSES	<u>13,489</u>	<u>106,712</u>
PROFESSIONAL CONDUCT RESERVE EXPENSES	<u>47,089</u>	<u>64,560</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (33,600)</u>	<u>\$ 42,152</u>

See notes to financial statements

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& advisors

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Statement of Cash Flow
Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ (33,600)	\$ 42,152
Items not affecting cash:		
Amortization of tangible capital assets	21,015	20,128
Amortization of intangible assets	20,812	-
Loss on disposal of tangible capital assets	1,050	-
Loss (gain) on disposal of investments	14,721	(25,016)
Unrealized loss (gain) on investments	60,819	(19,868)
Unrealized (gain) loss on foreign exchange	(19,902)	1,893
	<u>64,915</u>	<u>19,289</u>
Changes in non-cash working capital:		
Accounts receivable	(42,957)	13,334
Inventory	(541)	4,979
Prepaid expenses	14,870	8,434
Accounts payable	47,858	5,929
Harmonized sales tax payable	19,430	1,308
Deferred revenue	136,982	7,236
	<u>175,642</u>	<u>41,220</u>
	<u>240,557</u>	<u>60,509</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(9,907)	(2,958)
Purchase of intangible assets	(356,783)	-
Purchase of long term investments	(396,879)	(367,014)
Disposal of long term investments <i>(Note 7)</i>	377,125	344,740
	<u>(386,444)</u>	<u>(25,232)</u>
FINANCING ACTIVITY		
Repayment of obligations under capital lease	(2,380)	(2,380)
INCREASE (DECREASE) IN CASH	<u>(148,267)</u>	<u>32,897</u>
CASH - BEGINNING OF YEAR	<u>3,006,632</u>	<u>2,973,735</u>
CASH - END OF YEAR	<u>\$ 2,858,365</u>	<u>\$ 3,006,632</u>

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Notes to Financial Statements
Year Ended March 31, 2023

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 (ASNFP).

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.

Intangible assets

The member database is being amortized on a straight-line basis over their estimated useful lives of ten years.

(continues)

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Notes to Financial Statements
Year Ended March 31, 2023

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, 2023

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, 2023.

(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, 2023

4. CASH AND CASH EQUIVALENTS

	2023	2022
Cash	\$ 2,246,268	\$ 2,546,268
Cash equivalents	612,097	460,364
	\$ 2,858,365	\$ 3,006,632

Cash equivalents consist of short term investments that are highly liquid instruments and are measured at market value. Cash equivalents includes GIC with maturity dates between May 2023 and January 2024 with interest rates of 3.17% to 4.95%.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment and software	\$ 31,937	\$ 18,262	\$ 13,675	\$ 20,654
Furniture and fixtures	31,866	26,287	5,579	10,106
Leasehold improvements	6,500	5,796	704	1,354
	\$ 70,303	\$ 50,345	\$ 19,958	\$ 32,114

The following asset included above is held under capital lease:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Photocopier	\$ 11,900	\$ 9,322	\$ 2,578	\$ 4,958

6. INTANGIBLE ASSETS

	2023	2022
Member database	\$ 356,783	\$ -
Accumulated amortization	(20,812)	-
	\$ 335,971	\$ -

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Notes to Financial Statements
Year Ended March 31, 2023

7. LONG TERM INVESTMENTS

	2023	2022
Cash	\$ 20,722	\$ 26,734
Fixed income securities	401,596	415,279
Equity investments	556,480	565,499
Mutual funds	251,386	256,698
Foreign securities and other	8,906	10,761
	\$ 1,239,090	\$ 1,274,971

As at March 31, 2023, the market value of investments includes accumulated unrealized gains of \$76,976 (2022 - unrealized gain \$137,537).

8. DEFERRED REVENUE

	2023	2022
Member fees	\$ 1,363,002	\$ 1,250,163
Other	31,768	7,625
	\$ 1,394,770	\$ 1,257,788

9. 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, 2023 was \$2,380.

10. 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

11. 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 two years approximately as follows:

2024	\$ 66,306
2025	5,526
	\$ 71,832

CHARTERED PROFESSIONAL ACCOUNTANTS OF NEW BRUNSWICK
Notes to Financial Statements
Year Ended March 31, 2023

12. NET ASSETS - PROFESSIONAL CONDUCT RESERVE

The professional conduct reserve represents internally restricted funds to cover legal and investigative fees relative to professional conduct matters.

The Organization has one large professional conduct complaint that is ongoing. Since inception of the matter, costs totaling \$152,797 have been incurred and have been charged to professional conduct reserve expense of the \$225,000 originally restricted. For 2023, hearing costs of \$47,089 (2022 - \$64,560) were incurred leaving the balance of the reserve of \$72,203 (2022 - \$119,292) ending March 31, 2023.

13. 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 \$28,542 for the 2022-2023 year after March 31, 2022. Fees for 2023-2024 year collected on behalf of CPA Canada, in the amount of \$831,850, were remitted prior to March 31, 2023 and the remaining balance of \$25,550 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.

14. 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 \$31,886 (2022 - \$27,842).

15. COMPARATIVE FIGURES

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

2022-2023 CPA NEW BRUNSWICK COMMITTEES

Governance Committee

Beverly Guimond, CPA, CMA | Chair
Nathalie Boudreau, CPA, CA
Pierre Doiron, FCPA, FCGA
Janice Leahy, CPA, CA
Carolyn Wong, CPA, CGA
Carole Benoit, LL.B. M.Fisc. | Public Representative
Mylène Lapierre, CPA, CA | ex officio

Human Resources Committee

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

Audit Committee

Sandy Dalton, CPA, CGA | Chair
Nathalie Boudreau, CPA, CA
Jennifer Langille, CPA, CMA
David Saucy, CPA, CMA
Mylène Lapierre, CPA, CA | ex officio

Finance & Risk Committee

Tim J. Walker, CPA, CA | Chair
Sandy Dalton, CPA, CGA
Beverly Guimond, CPA, CMA
Jennifer Langille, CPA, CMA
Stephen Lund, FCPA, CA
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
Sean Greene, CPA, CA
Krista Munroe, CPA, CA
Blair Northcott, CPA, CA
Peter Spacek, CPA, CA
Caroline Roy, CPA, CGA
Olamide Lawal, CPA, CGA | Registrar

Hearing Committee

Luann Foster-Jones CPA, CA | Chair

Member Recognition Committee

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

Nominating Committee

Pierre Doiron, FCPA, FCGA | Chair
John Clark, FCPA, CA
Glenn Leonard, CPA, CA
David Marshall, CPA, CMA

2023 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 **Todd MacIntosh, FCPA, CA** and **Jeffrey White, FCPA, CA** were awarded Fellowship at the 2023 CPA New Brunswick Convocation in Fredericton!



Todd MacIntosh, FCPA, CA (left) and Jeffrey White, FCPA, CA (right) receiving their CPA Fellow certificates from President & CEO Mylène Lapierre and Board of Directors Vice-Chair Janice Leahy.



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