

CHARTERED PROFESSIONAL ACCOUNTANTS OF YUKON

FINANCIAL STATEMENTS

March 31, 2018

Financial Statements

Management responsibility for financial reporting

The financial statements of the Chartered Professional Accountants of Yukon (“CPA Yukon”) are the responsibility of the management of the Chartered Professional Accountants of British Columbia (“CPABC”).

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are described in Note 1 to the financial statements. The financial statements include, where appropriate, estimates based on the best judgment of management.

As part of its responsibilities, CPABC maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that CPA Yukon’s assets are appropriately accounted for and adequately safeguarded.

In addition, the financial statements have been audited by the external auditors in accordance with Canadian generally accepted auditing standards.

May 22, 2018



Lori Mathison, FCPA, FCGA, LLB

President and Chief Executive Officer



Jan Sampson, FCPA, FCA

Secretary



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Independent Auditor's Report

To the Members of the The Chartered Professional Accountants of Yukon

We have audited the accompanying financial statements of The Chartered Professional Accountants of Yukon, which comprise the Statement of Financial Position as at March 31, 2018, and the Statements of Operations and Changes in Net Assets, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Chartered Professional Accountants of Yukon as at March 31, 2018, and the results of its operations, changes in net assets, and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

Vancouver, British Columbia
May 22, 2018

Chartered Professional Accountants of Yukon

Statement of Financial Position

As at March 31, 2018

	2018	2017
ASSETS		
Current Assets		
Cash	\$ 24,166	\$ 31,487
Accounts receivable (Note 2b)	76,409	74,577
Prepaid insurance	1,021	1,021
Investment (Note 3)	20,000	4,563
	\$ 121,596	\$ 111,648
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 2a)	\$ 41,189	\$ 35,847
Deferred revenue	43,274	40,203
	84,463	76,050
UNRESTRICTED NET ASSETS	37,133	35,598
	\$ 121,596	\$ 111,648

Approved by the Board:



Cheryl Horoscoe, FCPA, FCGA
Chair of the Board



Mark Pike, FCPA, FCA
Treasurer

The accompanying notes are an integral part of these financial statements.

Chartered Professional Accountants of Yukon

Statement of Operations and Changes in Net Assets

For the year ended March 31, 2018

	2018	2017
REVENUES		
Membership dues	\$ 55,842	\$ 50,699
Professional development	20,245	-
Public practice fees (Note 2b)	17,406	15,083
Member events	1,450	2,200
Admission fees	3,582	1,950
Other revenue	3	1,113
	\$ 98,528	\$ 71,045
EXPENSES		
Administration (Note 2b)	\$ 35,654	\$ 31,589
Professional development	17,664	-
Public practice registration and review (Note 2b)	17,406	15,083
Professional fees	15,513	10,003
General office and insurance	4,972	8,626
Governance and board	4,387	7,728
Member and student events	1,397	3,429
	\$ 96,993	\$ 76,458
Excess (Deficiency) of Revenues over Expenses	\$ 1,535	\$ (5,413)
Unrestricted Net Assets, beginning of the year	35,598	41,011
Unrestricted Net Assets, end of the year	\$ 37,133	\$ 35,598

The accompanying notes are an integral part of these financial statements.

Chartered Professional Accountants of Yukon

Statement of Cash Flows

For the year ended March 31, 2018

	2018	2017
Operating Activities		
Excess (Deficiency) of revenues over expenses	\$ 1,535	\$ (5,413)
Changes in non-cash working capital:		
Accounts receivable	(1,832)	(27,567)
Prepaid insurance	-	(1,021)
Accounts payable and accrued liabilities	5,342	(36,895)
Deferred revenue	3,071	29,049
	\$ 8,116	\$ (41,847)
Investing Activities		
Redemption of investment	\$ 4,563	\$ 5,379
Purchase of investment	(20,000)	-
	\$ (15,437)	\$ 5,379
Net change in cash	\$ (7,321)	\$ (36,468)
Cash, beginning of year	31,487	67,955
Cash, end of year	\$ 24,166	\$ 31,487

The accompanying notes are an integral part of these financial statements.

Purpose

The Chartered Professional Accountants of Yukon (CPA Yukon) is a self-governing professional body incorporated under the *Chartered Professional Accountants Act* on July 18, 2016. The CPA Yukon is a member organization of the Chartered Professional Accountants of Canada (CPA Canada). The CPA Yukon is a tax-exempt body under Section 149 of the Income Tax Act.

CPA Yukon has the following objectives as outlined in the *Chartered Professional Accountants Act*:

1. to promote and maintain the knowledge, skills and proficiency of its members and students in the practice of accounting;
2. to establish the qualifications and requirements for admission to CPA Yukon membership and continuation of membership, and for enrolment and continuation of enrolment of students;
3. to regulate all matters, including the competency, fitness and professional conduct, relating to the practice of accounting by members, students, professional accounting corporations and registered firms;
4. to establish and enforce professional standards; and,
5. to represent the interests of its members and students.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Accounting*

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations applied within the framework of the accounting policies summarized below.

(b) *Revenue recognition*

Membership dues, admission fees, member events and other revenues are recognized as revenue in the year to which they apply, and the portion not yet taken into income is recorded as deferred revenue.

Professional development revenue is recognized when the course is presented.

Public practice fees are recognized as revenue in the year in which they apply and the amounts collected are allocated proportionately over 12 months commencing September 1, the billing date, and the portion not yet taken into income is recorded as deferred revenue.

(c) *Donated services*

CPA Yukon and its members benefit greatly from donated services in the form of volunteer time for various activities. Since these services are not normally purchased by CPA Yukon and because of the difficulty of determining the fair value, donated services are not recognized in these financial statements.

2. RELATIONSHIPS WITH OTHER ORGANIZATIONS

The transactions described below are measured at the exchange amount – the amount of consideration established and agreed to by the related parties.

- (a) **Chartered Professional Accountants of Canada (CPA Canada)** is the national body which supports the provincial accounting bodies that have unified under the Chartered Professional Accountants (CPA) banner in Canada.

During 2013, CPA Canada established a Collaboration Accord that defines roles and governance processes for the unified profession going forward. Under these mechanisms, CPA Canada and the participating unifying provincial and territorial bodies undertook a series of projects to implement the CPA profession's strategic initiatives and to collaborate nationally. CPA Canada accumulates the related costs and invoices the participating provincial and territorial bodies their proportionate share totaling \$5,565,068 (2017 - \$4,532,650). CPA Yukon's contribution to funding these projects amounted to \$2,712 (2017 - \$1,881) and is reflected in the Governance and board expense on the statement of operations.

During 2018, CPA Yukon collected member fees on behalf of CPA Canada totalling \$36,160 (2017 - \$45,511), which are not reflected in the statement of operations. At March 31, 2018 a net amount of \$23,347 (2017 - \$20,325) was owed to CPA Canada.

- (b) **The Chartered Professional Accountants of BC (CPABC)** charges an administration fee based on a set percentage of member dues and admission fees collected. In return CPABC provides services in the areas of advisory, ethics and discipline, finance, member records and other member services. Administrative fees of \$35,654 (2017 - \$31,589) were charged by CPABC for the services rendered.

CPABC also runs practice registration and review on behalf of CPA Yukon. An administration fee equivalent to the public practice fee revenue of \$17,406 (2017 - \$15,083) was charged by CPABC for services rendered in relation to practice registration and review.

At March 31, 2018, a net amount of \$68,094 was owing from CPABC (2017 - \$69,424). As CPABC collects member dues on behalf of CPA Yukon, the amount owing is primarily 2018/19 deferred member dues.

3. FINANCIAL INSTRUMENTS

CPA Yukon's financial instruments consist of cash, accounts receivable, investment and accounts payable and accrued liabilities.

It is management's opinion that CPA Yukon is not exposed to significant interest, currency, credit or market risks arising from these financial instruments.

The investment consists of guaranteed investment certificate (GIC) maturing within twelve months from the year-end date and is classified as current. The GIC is carried at cost with an effective interest rate of 1.3% per annum