

# ANNUAL REPORT

**CHARTERED PROFESSIONAL ACCOUNTANTS'  
EDUCATION FOUNDATION OF BRITISH COLUMBIA**

**2021/22**

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## Message from CPAEF Board Chair

As the new chair of the CPA Education Foundation of BC ("CPAEF" or "Foundation"), 2021-2022 was a year of transition and continued uncertainty around COVID-19. There was also optimism as the pandemic evolved, vaccines were rolled out, and the province began to reopen.

While many health restrictions continued to impact the province for the better part of 2021, the Foundation continued to deliver on its mandate to provide much needed funds for students planning to pursue a career in accounting. CPAEF is pleased that over the last two tumultuous years, it was able to provide core supports for accounting students and faculty.

While we have seen an economic resurgence, we know the pandemic had an uneven impact on people and in particular students. Your continued giving is important to ensure the continuance of the Foundation's programs. To our dedicated donors, I thank you again for your support and generosity.

On a personal note, I would like to thank my fellow board members who have worked with me over the past year to ensure these important services continue. Education is a cornerstone of the CPA profession and we are committed to assisting as many students as possible on their learning journey.

**Dated** June 24, 2022

A handwritten signature in black ink that reads "Keri Norrie". The signature is fluid and cursive, with the first name "Keri" and last name "Norrie" clearly distinguishable.

Keri Norrie, FCPA FCA, CGA  
Board Chair



Photo by Jesse Hlady Studios

# MANAGEMENT DISCUSSION AND ANALYSIS

## INTRODUCTION

This Management Discussion and Analysis (**MD&A**) will present and discuss the operations, performance and financial condition of the Chartered Professional Accountants' Education Foundation of British Columbia ("CPAEF" or the "Foundation") for the period ended March 31, 2022, as well as the plans and outlook for 2022/23. The MD&A should be read in conjunction with the Foundation's audited financial statements for the years ended March 31, 2022 and March 31, 2021.

## MISSION AND GOVERNANCE

The mission of the Chartered Professional Accountants' Education Foundation of British Columbia is to advance accounting education in BC. CPAEF intends to achieve this goal by enhancing the quality and quantity of students entering the profession, providing support for those who deliver accounting education including relevant and practical research, and stimulating the ongoing educational experience of members and students of CPABC.

CPAEF elects its Board of Governors (the "Board") from candidates recommended by the CPABC Board of Directors. The Board includes members of CPABC interested in education who can help CPAEF work towards its vision and to achieve the goals and strategies as set by the Board. A member of the CPABC Board sits on the CPAEF Board and serves as a liaison between the two Boards.

## KEY PERFORMANCE INDICATORS

As a charity, the Foundation relies on financial indicators to ensure that the resources entrusted to it are used efficiently and in an appropriate manner. These financial indicators, together with non-financial indicators, play a significant role in determining how performance is measured.

## Deliverables

CPAEF regularly reviews deliverables through various reporting processes to the Board to ensure ongoing alignment with the Foundation's goals.

## Financial performance

The Foundation sets financial targets through its annual budgeting process. Performance is measured, in part, by the extent to which financial objectives have been met, and by how effectively these financial resources have been managed. Measurement is based on actual financial results for the year, compared to the budget, the previous year's results and overall objectives.

## ABILITY TO DELIVER DESIRED RESULTS

The ability to deliver results is dependent on three factors: capital resources and liquidity, net assets, and non-financial resources.

### Capital resources and liquidity

At March 31, 2022, the Foundation had cash, short and long term investments totalling \$3.88 million (2021 - \$3.83 million). Investments are presented at market value. CPAEF investment portfolio consists of mutual funds on which it earns interest, dividends and capital gains income.

In addition, CPAEF holds \$345,000 in contributed principal with the Vancouver Foundation. The market value of these funds at year-end is \$573,194 (2021 - \$565,389). In accordance with the provisions of the Vancouver Foundation Act, these amounts are held permanently by the Vancouver Foundation and are not reported in CPAEF financial statements. CPAEF has the right to receive the investment income on these funds, which amounted to \$20,755 in the current year (2021 - \$20,885).

### Net assets

Net assets at March 31, 2022, totalled \$3.92 million (2021 - \$3.87 million), comprising approximately: \$244,000 (2021 - \$239,000) in scholarship and endowment funds which are externally restricted by the contributors; \$1,895,000 (2021 - \$1,859,000) in net assets internally restricted by the Board related to donations from members and bequests; and \$1,785,000 (2021 - \$1,775,000) in unrestricted net assets.

### Non-financial resources

The Foundation relies on experienced volunteers and staff of CPABC to carry out its mandate in support of its activities. These volunteers and CPABC staff ensure that collective goals are achieved.

## 2021/22 RESULTS

### Revenues

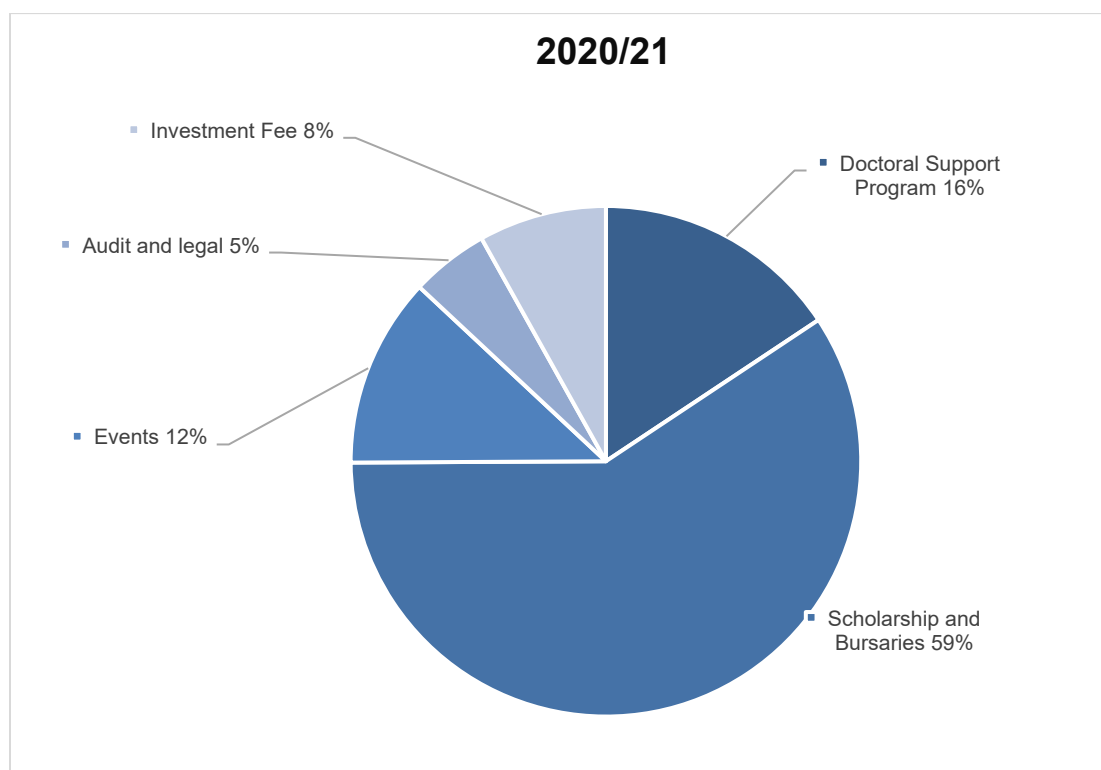
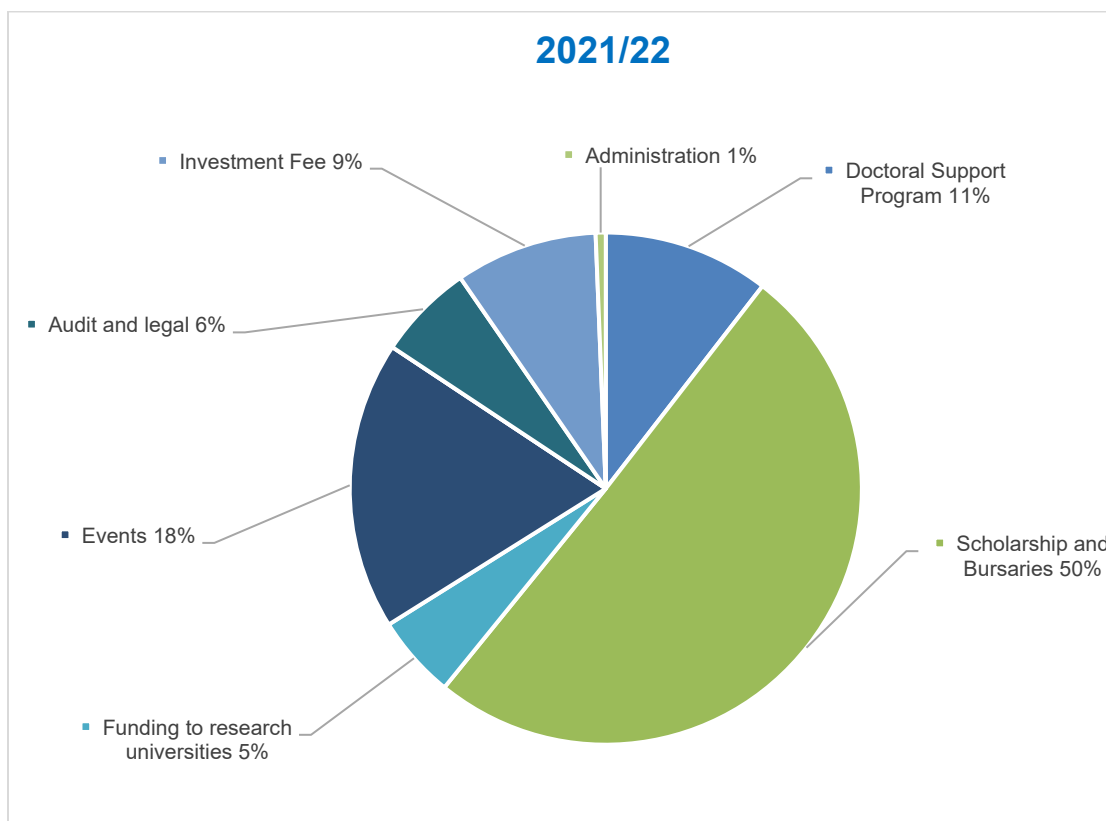
The primary sources of funding for the Foundation's programs and services are from long-term investment income and donations.

The primary objective of the overall investments is preservation of capital, with secondary objectives of maximizing return on investments, providing sufficient liquidity to allow the organization to meet its changing cash requirements, and cash flow generation. The goal is to achieve an annual return that exceeds a benchmark based on the asset allocation weighting.

In 2021/22, CPAEF's investment portfolio generated an overall gain of \$165,000 (2021 - gain of \$899,000). The continuing COVID-19 pandemic and global events in Eastern Europe sparked a steep decline against an already volatile market. As a result, total investment income of \$298,000 was offset by \$133,000 unrealized loss (2021 - unrealized gain of \$684,000) resulting in the net investment of \$165,000.

## Expenditures, programs, and services

In 2021/22, the Foundation's financial resources were invested into the following programs and services, as set out in the respective annual financial statements:



## Excess of revenue over expenses

In 2021/22, the Foundation incurred an excess of revenues over expenses of approximately \$51,000 (2021 - \$823,000). While operating expenses remained relatively stable year over year, CPAEF suffered a dramatic drop in revenues attributable to unrealized losses in the fair value of investments compared to the unrealized gains of the prior year.

## Support for Students

CPAEF offers awards comprised of scholarships and bursaries to students in several categories: students attending BC post-secondary institutions (colleges or universities), students taking preparatory courses, and candidates enrolled in the CPA Professional Education Program (PEP).

- This year, CPAEF received 22 applications from students for awards overseen by The Foundation. Of these the Foundation awarded 9 students with bursaries ranging from \$1,500 to \$2,500. In addition, the Foundation awarded two top performers in preparatory courses with the David Reid Scholarships for \$500 each.
- Further, CPAEF has a matching awards program whereby CPABC Chapters can donate funds to be matched by CPAEF in offering new awards at local BC colleges and universities. Matched awards are available at these post-secondary institutions across BC:
  - **BCIT** – CPABC Vancouver Chapter Award
  - **Capilano University** – CPABC North Shore/Sunshine Coast Chapter Award
  - **Douglas College** – CPABC Burnaby/New Westminster Chapter Award
  - **KPU** – CPABC Surrey/Langley/North Delta Chapter Award, CPABC Richmond/South Delta Chapter Award
  - **Langara College** – CPABC Vancouver Chapter Award
  - **Okanagan College** - Crowe MacKay LLP Awards;
  - **SFU** – CPABC Surrey/Langley/North Delta Chapter Award, CPABC Burnaby/New Westminster Chapter Award
  - **University of the Fraser Valley, Trinity Western University and Kwantlen Polytechnic University** – FVCPAA Scholarships
  - **University of British Columbia (Vancouver and Okanagan)** – Crowe Mackay LLP

## Lasting Legacies

Over the years, several awards for educational funding were established in recognition, or in the name, of the following members and individuals:

- |                         |                      |                          |
|-------------------------|----------------------|--------------------------|
| • John R. Bayer         | • William B. Hards   | • David B. Reid          |
| • Alexander Campbell    | • William D. Johnson | • William Rowe           |
| • Geoffrey W. J. Carter | • Tom Kennedy        | • David Sale             |
| • Marian Easton         | • Dick Lucas         | • Glynn Spelliscy        |
| • William C. Easton     | • J. Alfred Marsh    | • Peter Stanley          |
| • William J. Fedorak    | • Jim Miller         | • Elite Woo              |
| • Sean D. Gilbert       | • Lam A. Milne       | • Fred and Liliana Young |
| • John Hadfield         | • Desmond O'Brien    |                          |

All of these legacies are the result of the generosity of donors. CPAEF thanks all donors for their tremendous support.

## Support for Educators

CPAEF has various supports for educators including:

- CPAEF supports the professional learning and development of CPABC members in academia with a PD Passport for Academic Members, which entitles the recipient to 20 passport credits (or up to two days) of professional development offered through CPABC paid for by CPAEF. A total of 131 (2021 - 142) CPABC members in academia registered under this program.
- CPAEF has a forgivable loan program whereby a CPABC member, who is pursuing doctoral studies can apply for a loan up to \$10,000 per annum over a maximum of four years. The loan is forgiven once the recipient has successfully earned their doctorate and teaches accounting or accounting-related topics at a BC university immediately upon completion of their doctorate. For each year of teaching, one annual loan installment is forgiven. During the year, no new applications were received. However, one recipient advised that they would not be able to fulfill the criteria of forgiveness and has undertaken a repayment plan with the Foundation. Three other members remain in the doctoral support program at various stages of completion of their doctoral studies.
- CPAEF has a grant program to support the development of faculty and to advance relevant and practical research at BC's two research universities: SFU and UBC.
- Since 2011, twelve BC post-secondary institutions have received over \$80,000 in financial support through the Speaker Series program to assist them in bringing noteworthy speakers to their schools to enhance accounting faculty development. Each school is eligible for funding up to \$2,500 twice per year. Funding for two Speakers Series grants were applied for and approved for the combined amount of \$3,946. The events were held at Kwantlen Polytechnic University and Langara College in the fall 2021.
- CPAEF has three legacy endowments at UBC. They are:
  - CPA Teaching Excellence Award. This award supports a prize recognizing teaching excellence among faculty members and is selected by the Dean's Office. Since inception in 1999, 19 faculty have been awarded this distinction. This year, the prize was awarded to Dr. JoAndrea Hoegg, an associate professor and Chair of the Marketing and Behavioural Science Division.
  - The CPA Chair of Accounting is currently held by **Dr. Sandra Chamberlain**, PhD, CPA, CMA, Associate Professor in the Accounting and Information Systems Division and CPAEF Governor. Dr. Chamberlain was named to this chair in 2017.
  - The CPA Professorship in Accounting is currently held by **Dr. Kin Lo**, PhD, FCPA, FCA. He is an active mentor to his students, assists on various dissertation committees, and acts as a research supervisor for doctoral candidates. Dr. Lo has taught at UBC since 1999 and is senior associate dean of students and an associate professor in the business faculty.



## Risks

The environment in which the Foundation operates creates risks and uncertainties that could affect the successful implementation of its plans.

### Funding and financial

The Foundation depends on investment income and donations from members to fund its programs. Ongoing impacts of the COVID-19 pandemic and the unrest in Eastern Europe have created a great deal of volatility in the markets at the start of 2022 which exacerbated high inflation rates. As a result, the steep declines in the market have directly impacted the Foundation's investment portfolio.

The portfolio is managed in compliance with the Board-approved investment policy that provides guidance for the investment manager as to the type and mix of investments. Risk and volatility of investment returns are mitigated through diversification.

### Human resources

The Foundation relies on the services of volunteers and CPABC staff to complete projects. The talent and expertise of volunteers are among its most valuable resource. At the same time, there is always some risk that volunteers may not be as willing or able to donate their time or talents in the future, due to ever-increasing competition for their attention.

To mitigate this risk, CPAEF will continue to nurture ongoing volunteerism by ensuring positive and rewarding experiences for volunteers, and by structuring volunteer opportunities in a flexible manner.

## OUTLOOK FOR 2022/23

CPAEF will continue to focus on its mission of advancing accounting education in BC. Over the next year, CPAEF plans to:

- Hold a strategy planning session to review, among other priorities, the current CPAEF award portfolio, ensuring that award criteria are aligned with current trends in student needs,
- Refresh the Foundation's website to allow for easier applicant navigation, while aligning with current Accessible British Columbia Act and FOIPPA (Freedom of Information and Protection of Privacy Act) legislation,
- Continue to work with the post-secondary institutions to support the development of faculty,
- Continue to support accounting students attending BC post-secondary institutions and candidates in the professional education program with financial awards including scholarships and bursaries, and
- Hold the first Academic Symposium since 2019 when the event was deferred as a result of restrictions on in-person gatherings. After receiving support from the Academic community for an in-person event, planning has begun on hosting a one-day Symposium in June 2022.

## CPAEF Board of Governors

Keri Norrie, FCPA, FCA CGA (*Chair*)  
James Ferguson, CPA CA (*Vice-Chair*)  
Kai Bauman, CPA CA MPAcc (*Secretary*)  
Martha Thomas, CPA CA (*Treasurer*)  
Dr. Sandra Chamberlain, PhD CPA CMA  
Maxine DeHart (*Public Rep*)

Brody McDearmid, CPA CMA  
Bradley Sakich, FCPA FCA  
Alexander (Sandy) Stedman, FCPA FCA  
(*CPABC Board Liaison*)  
Andrea VandenEnden, CPA CA  
Nathan Wong, CPA CGA  
Staff: Jan Sampson, FCPA FCA  
Lorena Christensen, CPA, CMA  
Nicole Clendinning, CPA, CGA

Executive Director: Lori Mathison FCPA FCGA

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## Charitable Registration Number:

CPAEF is registered under the Income Tax Act of Canada and all donations are income tax deductible. The charitable registration number is 121932396.

## Social Media:

CPAEF Blogs at: <http://cpaefblog.bccpa.ca/>  
Twitter: #CPAEF