

CHARTERED PROFESSIONAL ACCOUNTANTS OF YUKON

FINANCIAL STATEMENTS

March 31, 2019

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.

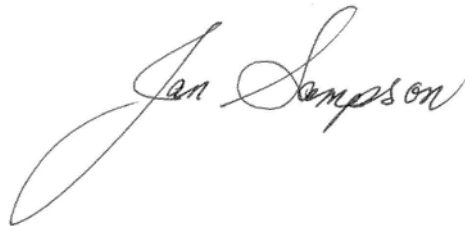
In addition, the financial statements have been audited by the external auditors in accordance with Canadian generally accepted auditing standards.

May 23, 2019



Lori Mathison, FCPA, FCGA, LLB

President and Chief Executive Officer



Jan Sampson, FCPA, FCA

Secretary



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the Members of the Chartered Professional Accountants of Yukon

Opinion

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, 2019, and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Chartered Professional Accountants of Yukon as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Chartered Professional Accountants of Yukon 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the 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.

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

Those charged with governance are responsible for overseeing the Chartered Professional Accountants of Yukon 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 Chartered Professional Accountants of Yukon'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 Chartered Professional Accountants of Yukon'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 Chartered Professional Accountants of Yukon 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.

BDO Canada LLP
Chartered Professional Accountants

Vancouver, British Columbia
May 23, 2019

Chartered Professional Accountants of Yukon

Statement of Financial Position

As at March 31, 2019

| | 2019 | 2018 |
|---|-------------------|-------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 24,944 | \$ 24,166 |
| Accounts receivable (Note 2(b)) | 85,125 | 76,409 |
| Prepaid insurance | 1,021 | 1,021 |
| Investment (Note 3) | 20,196 | 20,000 |
| | \$ 131,286 | \$ 121,596 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities (Note 2(a), 4) | \$ 44,033 | \$ 41,189 |
| Deferred revenue | 49,918 | 43,274 |
| | 93,951 | 84,463 |
| NET ASSETS | 37,335 | 37,133 |
| | \$ 131,286 | \$ 121,596 |

Approved by the Board:



Joanna Joniec, CPA, CMA
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, 2019

| | 2019 | | 2018 |
|---|------------------|-----------|---------------|
| REVENUES | | | |
| Membership dues | \$ 58,301 | \$ | 55,842 |
| Professional development | 16,615 | | 20,245 |
| Public practice fees (Note 2(b)) | 16,686 | | 17,406 |
| Member events | 1,100 | | 1,450 |
| Admission fees | 1,300 | | 3,582 |
| Other revenue | 2,809 | | 3 |
| | \$ 96,811 | \$ | 98,528 |
| EXPENSES | | | |
| Administration (Note 2(b)) | \$ 35,761 | \$ | 35,654 |
| Professional development | 18,386 | | 17,664 |
| Public practice registration and review (Note 2(b)) | 16,686 | | 17,406 |
| Professional fees | 10,820 | | 15,513 |
| General office and insurance | 4,903 | | 4,972 |
| Governance and board | 8,520 | | 4,387 |
| Member and student events | 1,533 | | 1,397 |
| | \$ 96,609 | \$ | 96,993 |
| Excess of Revenues over Expenses | \$ 202 | \$ | 1,535 |
| Net Assets, beginning of the year | 37,133 | | 35,598 |
| Net Assets, end of the year | \$ 37,335 | \$ | 37,133 |

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, 2019

| | 2019 | | 2018 |
|--|-----------|----|----------|
| Operating Activities | | | |
| Excess of revenues over expenses | \$ 202 | \$ | 1,535 |
| Changes in non-cash working capital: | | | |
| Accounts receivable | (8,716) | | (1,832) |
| Accounts payable and accrued liabilities | 2,844 | | 5,342 |
| Deferred revenue | 6,644 | | 3,071 |
| | \$ 974 | \$ | 8,116 |
| Investing Activities | | | |
| Redemption of investment | \$ 20,000 | \$ | 4,563 |
| Purchase of investment | (20,196) | | (20,000) |
| | \$ (196) | \$ | (15,437) |
| Net change in cash | \$ 778 | \$ | (7,321) |
| Cash, beginning of year | 24,166 | | 31,487 |
| Cash, end of year | \$ 24,944 | \$ | 24,166 |

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. CPA Yukon is a member organization of the Chartered Professional Accountants of Canada (CPA Canada). 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.

(d) *Investment*

Investment consists of a guaranteed investment certificate (GIC) that is measured at amortized cost. The GIC is maturing within twelve months from the year-end date and is classified as current.

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 \$5,184,725 (2018 - \$5,565,068). CPA Yukon's contribution to funding these projects amounted to \$2,582 (2018 - \$2,712) and is reflected in the Governance and board expense on the statement of operations.

During 2019, CPA Yukon collected member fees on behalf of CPA Canada totalling \$40,713 (2018 - \$36,160), which are not reflected in the statement of operations. At March 31, 2019 a net amount of \$29,147 (2018 - \$23,347) was owed to CPA Canada. This amount is included in accounts payable.

- (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 \$35,761 (2018 - \$35,654) 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 \$16,686 (2018 - \$17,406) was charged by CPABC for services rendered in relation to practice registration and review.

At March 31, 2019, a net amount of \$80,004 was owing from CPABC (2018 - \$68,094) and included in accounts receivable. As CPABC collects member dues on behalf of CPA Yukon, the amount owing is primarily 2019/20 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 in a guaranteed investment certificate has an interest rate of 2.22% per annum (2018 – 1.3%) with maturity date of December 2019.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$4,050 (2018 - \$4,135), which includes amounts payable for GST.