



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
BRITISH COLUMBIA

Annual Report

Chartered Professional Accountants
of British Columbia

2023-2024

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MESSAGE FROM CPABC CHAIR AND PRESIDENT & CEO

By Chris Gimpel, CPA, CA and Lori Mathison, FCPA, FCGA, LLB, BCL

This year, our major initiatives once again aligned with CPABC's three-year rolling strategic plan, and continued to enhance the protection of the public, member and student services, and operational effectiveness.

CPABC continued to deliver on its mandate of protecting the public interest and supporting members and students and made significant investments in organizational resources and infrastructure.

Our focus on protecting the public interest necessitates effectively adapting to the environment in which the organization and its more than 40,000 members operate. Within this dynamic, regulatory priorities included the careful consideration of the Cullen Commission recommendations; addressing non-members providing restricted services including the new Compilation Standard, and unregistered firms providing assurance services to reporting issuers in BC; and effectively implementing the transition to the new Practice Review System, all while ensuring that the ongoing regulation of the profession continued in an effective and efficient manner.

Professional accountants play a critical role in the province's economy and given recent labour market constraints and expected high demand for CPAs in the coming years, promoting careers in the profession remained a key part of attracting talent. This past year, CPAs in various roles and industries were profiled, highlighting members and CPABC as thought leaders and subject matter experts. Promoted content was targeted to different audiences to ensure they understand CPABC's role as a regulator, and to raise awareness and familiarity of the CPA designation.

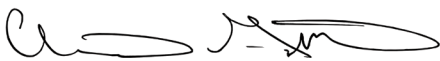
Pipeline activities continued to target and engage high school and post-secondary students, newcomers to Canada, workforce career changers, and Indigenous peoples, with a particular focus on high school students to provide information about careers in business and finance early in their education journey. The CPA profession also focused on the education journey of its candidates, as the profession continued developing the new CPA Certification Program, which seeks to maintain and build on the attractiveness of the profession as well as future proof the program.

CPABC also continued to provide important member services and supported and enhanced CPABC's chapters, which play a vital role in connecting members to the profession. In addition, CPABC assessed and redefined the nature of supports and services offered to our geographically dispersed membership. Operationally, the organization continued to deliver a robust professional development program to members, which included investing in systems, processes, and technologies to enhance the growth and quality of the virtual-live and OnDemand delivery of learning.

The new Flex Forward Program was launched as a permanent extension of the successful pilot hybrid work program, providing employees greater flexibility in their work arrangement. To better support a more permanent hybrid work model, CPABC has also re-imagined its current office space to optimize the effectiveness of its facilities.

Lastly, CPABC began implementing the Equity, Diversity, and Inclusion (**EDI**) Strategy for members and staff to analyze where we can better enhance initiatives and ensure that the organization and profession reflect the province in which we operate.

DATED May 28, 2024



Christopher Gimpel, CPA, CA
CPABC BOARD CHAIR



Lori Mathison, FCPA, FCGA, LLB, BCL
PRESIDENT AND CEO

CPABC'S FIVE STRATEGIC PILLARS

In 2023/2024, CPABC refreshed its rolling three-year Strategic Plan, to ensure the organization remains on course to deliver on the CPABC Vision, and incorporates the following five strategic pillars under the overarching mandate of protecting the public:

PROTECTING THE PUBLIC



REGULATE

CPABC will regulate members and students to uphold professional standards.



DELIVER

CPABC will deliver sufficient and appropriately skilled CPAs to meet market demand.



SUPPORT

CPABC will support the needs of its members and students.



LEAD

CPABC will lead and will foster member leadership on matters relating to business and accounting.



ACCOUNT

CPABC will discharge its mandate in a responsible, transparent, and proactive manner.



Vision

The Canadian CPA is the pre-eminent, globally respected business and accounting designation.

Mission

CPABC enhances the influence, relevance, and value of the Canadian CPA profession by:

- » Protecting the public interest;
- » Supporting its members and students; and
- » Contributing to economic and social development.

Member Values

Canadian CPAs are valued for their excellence and integrity.

REGULATE

Partnership with Government

As part of how CPABC protects the public interest, the organization seeks to support and contribute to relevant government priorities and public policy discussion. To that end, the profession submitted budget recommendations focused on key issues for the province. First, CPABC recommended that the government develop a cross-sectoral strategy involving the federal government, industry, and the post-secondary institutions (**PSIs**) and other training institutions, focused on attracting, retaining, and developing talent in BC. Second, CPABC noted the provincial government should consider creating a housing development and affordability dashboard to track progress and measure key housing statistics.

Lastly, CPABC recommended the establishment of a long-term fiscal anchor in order to ensure British Columbia's sustainability, which should impose guidelines or limits on the provincial government's spending and indebtedness while remaining flexible to allow for countercyclical policy during economic cycles. CPABC also noted the government should prioritize policies that improve the long-term economic outlook, which will in turn increase government revenue.

CPABC's President & CEO presented the recommendations to the Select Standing Committee on Finance and Government Services, which mentioned CPABC in its consultation report, highlighting the organization's comments on taxation policies, affordability challenges, and the impact of regulatory processes on housing supply.

CPABC also met with staff from the Ministry of Finance to discuss opportunities for partnerships including member surveys and roundtables that could assist the government in the development of tax policies. In addition, CPABC briefed the Minister of Post-Secondary Education & Future Skills on the progress made since the release of the Cullen Commission report and worked with ministry officials to document implementation of the 10 recommendations directed at the organization in the report. By the end of 2023, half of the recommendations were completed or implemented, and it's anticipated the remainder will be addressed by mid-2024. In addition, a submission was made to the Department of Finance



The organization has made considerable progress raising awareness among Indigenous students of the value of careers in business and finance, and of the value of the CPA designation, and is working with Indigenous communities to share the value a CPA provides with regard to financial management capacity and overall nation building.

Canada in connection with the consultation paper, Consultation on Strengthening Canada's Anti-Money Laundering and Anti-Terrorist Finance Regime.

The provincial government recently made some minor legislative amendments to the *Chartered Professional Accountants Act* in response to the Cullen commission report on anti-money laundering, and to better align the CPA Act with other legislated professional regulatory bodies.

Specifically, they codified protecting the public interest in the legislation as part of CPABC's mandate. CPABC has always believed that protection of the public is its core mandate and is fully supportive of this change. In addition, they made some changes related to Ministerial oversight that makes our legislation more consistent with that of many other regulated professions in the province.

Lastly, CPABC provided information and feedback on foreign credential recognition that informed the government in developing the *International Credentials Recognition Act*, which is meant to address the barriers faced by internationally trained professionals.

Transparent and Accountable Regulation

CPABC is proud of its proactive approach to regulation. The organization's core mandate is to protect the public, which is done by enforcing the highest professional and ethical standards. CPA members recognize that a well-regulated profession benefits everyone, and approximately 82% of members who responded to the member satisfaction survey believed that CPABC was an effective regulator.

Given the significance of this responsibility, CPABC produced the *Regulatory Report to the Public 2023-2024: Upholding the Highest Standards* that summarized the regulatory activities of the prior fiscal year.

CPABC's regulatory processes are described on the CPABC website, as are the outcomes of investigation and discipline proceedings.



Of the more than **40,000** CPABC members, the majority of them worked in industry in a variety of roles — up to and including the C-Suite — in every sector of the economy.

Membership

CPABC only admitted those applicants who met the rigour of the CPA certification process or met the requirements of a CPA international agreement and provided satisfactory evidence that they were of good character. Of the more than 40,000 CPABC members, the majority of them worked in industry in a variety of roles – up to and including the C-Suite – in every sector of the economy.

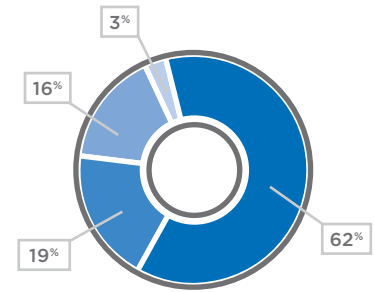
Public Practice

Approximately 19% of CPAs worked in public practice, which included 4,454 members licensed to provide public practice services. These members were practitioners and partners who operated in 2,906 public practice offices in BC. Over 98% of CPA firms were owned by fewer than five professional accountants.

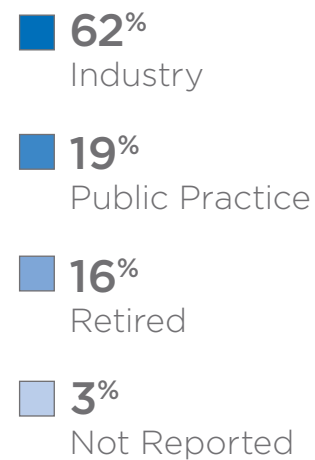
Practice reviews are inspections of CPA firms to determine whether firm activities meet the standards of the profession. They are carried out over a three-year cycle with 1,051 inspections conducted this past year.

CPABC’s fully integrated Practice Review System enhanced the user experience for practice inspection officers and firms by increasing the ease of file sharing and communication while also enhancing security.

CPABC also held two free “Common Deficiencies from Practice Inspection” courses, one for assurance firms, and a new one for compilation firms. Both were very well received and well attended. The annual “Common Deficiencies” article highlighted key issues identified in practice inspections over the past year, as well as key focus areas for the upcoming year.



Where CPAs Work



Continuing Professional Development (CPD)

Ongoing education is an important aspect of regulation and CPAs were required to complete and report their professional development activities, unless an exemption applied.

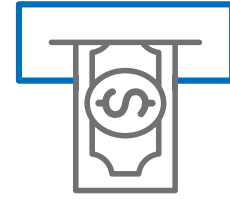
Over the course of the CPD three-year rolling reporting cycle, CPAs were required to ensure at least four of their reported verifiable hours related to professional ethics and were required to report compliance with CPD on a calendar year basis. Those who did not comply ultimately had their memberships cancelled.

Furthermore, beginning in 2024, CPAs must complete at least 1.5 hours of verifiable anti-money laundering CPD over three years. The new requirement was established to raise and enhance CPA awareness of money laundering and its risks.

Discipline Process

CPABC investigated complaints received about members and students.

Where grounds were found for breaches of the bylaws or rules, most complaints were dealt with through education and course work, which ensured that members were better equipped to serve the public. In rare instances there was a fine, suspension, or cancellation of membership.



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DELIVER

Meeting Market Needs

As CPABC is the only educator of professional accountants in British Columbia, attracting quality people to the profession and meeting employer demand is critical. Many employers continue to note that attracting skilled labour is a challenge.

CPABC conducted a number of market research initiatives to get a better understanding of what may be driving current trends in student enrollment. We are seeking to understand what is influencing prospective students' career choices, and how the attractiveness of the profession and the CPA designation is faring. This included, conducting focus groups with high school students from across the province to understand what influences their career aspirations, and their general perceptions of careers in business and accounting.

In BC, the CPA education programs (CPA Professional Education program (**PEP**) and CPA preparatory courses) are offered through the CPA Western School of Business (**CPAWSB**). CPABC continues to work with CPAWSB and its national and provincial partners to ensure the CPA education program leads to producing competent CPAs.

Given the prevalence of emerging and disruptive technologies, the CPA profession updated the CPA competency map, with the new version called Competency Map 2.0 (or **CM 2.0**), to help ensure the profession is responsive and adaptable to new technologies and changing social values, while also delivering on the core skills that CPAs are known for. The new finalized competency map offers a jumping-off point for the creation of a revised CPA certification model. The profession continues to work on this project, and the new program will translate CM 2.0 into a modernized certification model that encompasses education, experiential learning, and assessment.

The organization also hosted its first event to support employers with hiring and training international talent. The Talent Talks event featured three settlement agencies (Immigrant Services Society of BC, SUCCESS, and MOSAIC) that introduced their programs and supports for newcomers to Canada and their potential employers.



5,707

students were enrolled in the CPA PEP program

1,305

people were enrolled in the CPA preparatory courses

There was also significant engagement conducted with Indigenous students and communities. In a diverse society, the CPA profession needs to be attractive and accessible to a diverse group of individuals. CPABC has been implementing an Indigenous Engagement Strategy, in collaboration with Indigenous organizations and communities. One example of this work is that CPAWSB, in partnership with the Aboriginal Financial Officers Association of Alberta, commenced delivery of the CPA Indigenous pilot courses and modules with representation from learners across Western Canada.

The [CPABC Careers site](#) continued to see strong engagement from those seeking to hire CPAs and CPA students.

CPA Pipeline at the Forefront

Extensive outreach was undertaken to reach and inform potential students and employers, and to support existing CPA employers in their recruitment efforts. CPABC worked to further develop and strengthen relationships with high schools and school districts to ensure young people about to enter post-secondary are aware of the opportunities available to them through careers in business and finance. Events were well attended and this outreach will continue to expand.

Highlights included holding nearly 490 recruitment and employer connection events and info sessions this year, most of which were in-person events. In addition, 446 prospective students booked their own advising appointments. Recruitment also focused on expansion of the Indigenous Gathering on Pathways in Business event series.

CPABC expanded its hybrid Career Week event, offering on-demand and live activities. The event connected 49 organizations with 515 job candidates. CPABC also delivered four online career panels that drew 407 live views, facilitated 303 online one-on-one video connections, and gathered 203 candidates in-person for a career fair in Vancouver and 55 candidates in Kelowna. There continues to be significant engagement and interest from international students at career fairs and events, and transcript assessment for internationally educated prospects increased.



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Prospective students continued to inquire about the CPA profession. More broadly, interest was driven by a provincial advertising campaign that focused on reaching people in the workforce who were considering a career change, those who were in post secondary considering their career options, and those who were responsible for deciding to hire or train CPAs.

Candidate Support

CPABC continued to build awareness and understanding of the practical experience requirements and updated and refreshed information and resources for employers and candidates to improve the information that is available as they move through their CPA certification journey.

This included an updated Technical Competency Guiding Questions resource to aide candidates in the Experience Verification Route pathway and their employers, in understanding the technical competencies and proficiency levels and how they meet the requirements, allowing for streamlined reporting.

Student Achievement

Individuals who decided to pursue a career in accounting enrolled with the CPA Western School of Business for both the CPA PEP and preparatory courses. The school serves British Columbia, Alberta, Saskatchewan, Manitoba, Yukon, the Northwest Territories and Nunavut.

Student success rates in the programs led to the profession welcoming 1,239 new members admitted to membership in BC by way of the May and September CPA Common Final Examinations (CFE).



1,239

members admitted
to membership by
way of the CPA
Common Final
Examination (CFE).

SUPPORT

CPAs must meet ongoing professional development requirements to maintain their designation. Together with ongoing regulatory oversight this sets the profession apart from others working in business and supports CPABC's mandate of "protection of the public" by ensuring members keep their professional knowledge up to date and relevant to current industry, societal, and economic standards.

High-quality and relevant education, services, and resources directly supported and enhanced the regulatory compliance of CPABC's members and promoted an attitude of "lifelong learning."

Professional Development

CPABC's Professional Development (**PD**) program offered members learning opportunities across a wide range of technical and enabling competencies. Varied delivery methods (in person, virtual live, and On-Demand) increased the flexibility and availability of CPABC PD seminars to members throughout the province. Free and paid seminars supported members in their personal and career development and contributed to the protection of the public.

The PD program offered 1,161 scheduled or On-Demand seminars, which was consistent to the prior year. Registrations totaled 93,481, of which 29,434 were for paid seminars and 64,047 were for free seminars. Paid registrations met 96% of targets, and free PD registrations exceeded targets by 42%, demonstrating the popularity of free PD with our membership.

PD offerings included seminars, conferences, and certificate and executive programs. New courses are developed each year to help members stay up to date on new CPA Handbook standards, digital transformation topics, and emerging issues of importance to the profession such as Anti-Money Laundering (**AML**) awareness, Equity, Diversity and Inclusion, and Environmental, Social and Governance (**ESG**). For example, to support the new CPD requirement for AML awareness for CPABC members, three different free PD seminars were developed and made available. There were 8,634 collective registrations in these seminars, which were mostly delivered in an on-demand format making them widely accessible.



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Paid registrations met **96%** of targets, and free PD registrations exceeded targets by **42%**, demonstrating the popularity of free PD with our membership.

In an environment of increasing learning providers, members can rely on CPABC's PD program to bring them high quality, relevant, and reliable professional education products to address and support their lifelong learning goals. A new [CPA PRO](#) wordmark was created and launched to highlight courses created by the CPA profession specifically for CPAs.

Engagement and Services

Approximately 2,395 enquiries from members and the public were handled by Professional Standards Advisors, and 85 documents were posted to the [Public Practice Knowledge Base](#). In addition, over 831 members attended 33 virtual and in-person member forum meetings, which received a 99% satisfaction rating on post-meeting surveys. [Member Forums](#) brought together CPAs with common interests (tax, public practice, accounting or assurance standards, etc.) and areas of practice (public practice, industry, academia, etc.) to discuss topical issues, and provided an opportunity for members to exchange information, share best practices, collaborate, and strengthen professional relationships. This included a new forum for Indigenous members.

CPABC held a mix of virtual and in-person events. This included the inaugural virtual meeting of Indigenous CPAs, who discussed the importance of partnerships, student mentors (Indigenous or non-Indigenous), and Indigenous learning for members, and there was overwhelming support for having an ongoing Indigenous CPA forum.

The President & CEO and CPABC Board Chair presented a Leadership Update, holding three virtual sessions with over 2,200 members attending, a 58% increase in attendance from the previous year. The overall satisfaction rating was 99%, and members appreciated the information related to the economy and labour market, standards changes, and an update on the CPA certification program and Collaboration Accord.

In-person events included the first in-person Member Recognition event since the pandemic in May 2023, where [14 CPAs](#) were recognized for their professional and community achievements. Convocation was attended by 754 of the individuals who passed the



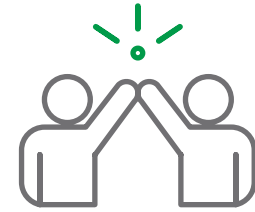
The President & CEO and CPABC Board Chair presented a Leadership Update, holding **three** virtual sessions with over **2,200** members attending, a **58%** increase in attendance from the previous year.

September 2022 and May 2023 CFE exams, and over 2,500 friends, family members, and colleagues celebrated the graduates at two ceremonies. CPABC also brought back the annual FCPA dinner in February 2024, where 16 new fellows were recognized. There were over 110 guests in attendance to celebrate their achievements.

The 62nd Annual CPABC Golf Tournament was held and had 139 attendees, and the annual Monte Carlo event for CPAs, CFAs, and lawyers was sold out. Both events provided CPAs an opportunity to mingle, network, and engage with their peers and other professionals.

CPABC chapters hosted 52 in-person events and provided CPA members, students, and candidates with local networking, social, and community support opportunities. Chapters offered a broad range of activities in their local communities, including, volunteer tax clinics, community outreach in support of food banks, Lunar New Year celebrations, and student recruitment events. This included three “Standing Ovation” events, which gave chapter members the opportunity to network with fellow CPAs, welcome new members, and recognize local peers who had attained significant membership milestones.

CPABC continued its research and provided supports to members on mental wellness in the profession. Three focus groups on mental wellness were held with CPA students and members in public practice and industry. The groups focused on the current state of mental wellness as it relates to work among different subgroups, what helps or hinders participants’ mental wellness, and whether participants have access to the supports they currently need. CPABC and TELUS Health, the provider of CPABC’s Member Assistance Program (**MAP**), collaborated and hosted a free webinar “Overcoming Burnout,” and over 1,000 CPAs registered. The webinar was well received and is available on demand until October 2024. Members are encouraged to utilize the free wellness services and resources provided through the MAP.

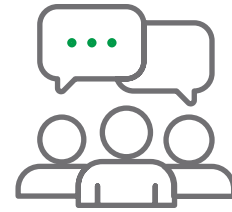


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In addition, two focus groups were held to better understand member satisfaction and expectations of CPABC, and insights will be used to further refine and improve CPABC's offerings.

Ensuring members were aware of programs and services was a substantial undertaking. Information was provided through the member magazine, [CPABC In Focus](#), bi-weekly e-newsletters, the website, podcasts, and social media. All members can access benefit and savings programs and numerous national and provincial benefits.



In-person events included the first in-person Member Recognition event since the pandemic in May 2023, where **14 CPAs** were recognized.

Convocation was attended by **754** of the individuals who passed the CFE exams, and over **2,500** guests.

LEAD

Leadership in the profession

Provincial Leadership

CPABC's branding efforts focused on the fact that CPAs are changemakers who embody the change they want to see in the world. They see the big picture and confront challenges head on because they know they'll come out smarter and stronger on the other side. CPAs were profiled using their skills and experience to find innovative solutions.

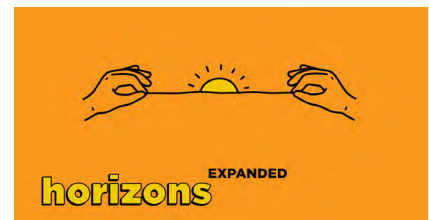
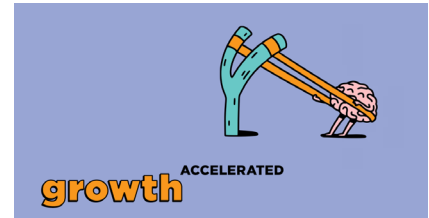
This year's campaign continued the concept You to the Power of CPA, using CPA as though it's a multiplier that increases the skills, leadership, and value of prospective students. [Videos](#) were used on social media and streaming content, and digital display and transit shelter ads were created.

Sponsored content focused on CPAs playing significant roles in diverse organizations, as well as the opportunities and career flexibility open to CPAs. The campaign performed above set benchmarks and drove awareness of the designation and career opportunities open to CPAs to key recruitment audiences.

In addition to the branding campaigns, CPABC did extensive work to raise the profile of CPABC and its members through articles, profiles, thought leadership pieces including our BC Check-Up: LIVE, WORK, and INVEST reports and surveys, sponsorships, and government relations.

Member profiles ran in the newsroom, the branding campaign, *CPABC in Focus*, and were used for attracting talent to the profession. These articles featured members with interesting careers not typically associated with CPAs and included members at every stage of their career. Profiles with experienced members demonstrated the leadership that CPAs bring to organizations, while examples of young members highlighted how a CPA's career can align with someone's purpose and passion.

PROVINCIAL You to the Power of CPA



This year's campaign continued the concept You to the Power of CPA, using CPA as though it's a multiplier that increases the skills, leadership, and value of prospective students.

In addition, CPABC did a series of articles and podcasts on the importance of ESG and artificial intelligence, and what CPAs are doing in these areas.

Major sponsorships included *Business in Vancouver's* Influential Women in Business and C-Suite Awards, and the Greater Vancouver Board of Trade provincial budget presentation. These opportunities allowed CPABC to partner with other organizations with a strong focus on business to provide information regarding the profession to government and business leaders.

Lastly, CPABC knows that financial literacy helps protect the public – if individuals have better financial skills and are informed, they will make better financial decisions. CPABC continued to offer free seminars using volunteer CPAs. The members shared unbiased, functional, and clear financial literacy information at a grassroots level. Sessions were available for adults at a variety of life stages, including entrepreneurs, new Canadians, as well as post-secondary students, and students from grades four to 11. There were also sessions for not-for-profits and remote communities.

This included an in-person session entitled “Money Basics for Teens” for those aged 15-17 to discuss topics such as, budgeting, debt, financial goal setting, and student loans, to help them better manage money. In addition, CPABC launched the CPA Financial Literacy Women Focused Sessions: What I would tell my younger self, The self-worth in net worth, and Money for new moms.

With an increase in the number of requests for financial literacy sessions, the first volunteer recruitment event was held since the pandemic, with support from the Vancouver chapter. Over 100 members attended, with many signing up to become FinLit volunteers.

Member Profiles

CPA PROFESSIONAL EDITORIAL MULTIMEDIA
A career in ESG: Aligning passion, values, and CPA
By Leah Giesbrecht Feb 7, 2024




Photo credit: Bobo Zhao Photography

CPA PROFESSIONAL EDITORIAL MULTIMEDIA
A career in ESG: Aligning passion, values, and CPA
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In the **podcast episode**, Brendon Dawson, CPA, a manager of sustainability and climate change at PwC in Vancouver, speaks with Leah Giesbrecht, a communications specialist at CPABC. Part of our **Coffee Chat with CPABC** podcast series.

Brendon Dawson, CPA

CPA PROFESSIONAL PROFILE
In cities of all sizes, CPAs are driving innovation
By Business in Vancouver Mar 18, 2024




Photo credit: Justin Sparks Photography

A career as a chartered professional accountant provides flexibility and freedom
Rare is it to find a job that allows you to carve out a career path where you help to shape the future of your community and influence daily life.

Mallory Denniston, CPA, CA, however, has found precisely that sweet spot. Denniston is the chief financial officer (CFO) of the City of Powell River, where she's part of the leadership team that supports the mayor and council who make decisions that will have generational impacts on the community.

Mallory Denniston, CPA, CA

CPA PROFESSIONAL EDITORIAL PROFILE
From the boardroom to the classroom, CPAs are changing the world for the better
By Business in Vancouver Feb 13, 2024




Photo credit: Bobo Zhao Photography

How a CPA makes sense of the world beyond dollars and cents
Follow Jocelyn to see a week in her life, [in this 10:10!](#)

With a father who taught at Simon Fraser University and a mother who works as a **chartered professional accountant (CPA)**, Jocelyn Li is most certainly her parents' daughter. Now working as both a CPA and a post-secondary instructor herself, Li is paying it forward in her roles with KPMG Canada and at UBC's Sauder School of Business.

As a senior manager in KPMG's environmental, social and governance (ESG) and sustainability services practice, Li works with clients across sectors, including apparel, oil and gas, mining, and financial institutions, among others.

Jocelyn Li, CPA

National Leadership

The profession is developing a New CPA Certification Program for students, and a team from across the CPA profession in Canada, including many staff members from CPABC, did important work to further the modernization of the certification program while ensuring the profession's high standards are upheld. This work will continue over the next few years as the development, transition, and implementation of the new program are completed.

CPABC staff and volunteers also demonstrated leadership by collaborating on the Council of Chief Executives, Public Trust Committee and sub-committees, CPA Professional Education Management Committee and sub-committees, Certification 2.0 Steering Committee, CFE Board of Examiners, Branding Committee and sub-committees, Professional Learning and Development Strategy Committee and sub-committees, National Indigenous Initiatives Guidance Committee and the Equity, Diversity, and Inclusion Committee. In some instances, CPABC staff and volunteers chaired national committees and sub-committees.



CPABC continued to offer **free financial literacy** seminars using volunteer CPAs. The members shared unbiased, functional, and clear financial literacy information at a grassroots level.

Sessions were available for adults at a variety of life stages, including entrepreneurs, new Canadians, as well as post-secondary students, and students from grades four to 11. There were also sessions for not-for-profits and remote communities.

ACCOUNT

Governance and Leadership

CPABC's Board of Directors was comprised of three public representatives appointed by the provincial government and 16 CPAs.

At the governance level, the national CPA Collaboration Accord governed how the independent national body, CPA Canada, and independent CPA provincial bodies worked together. These bodies are independently established through legislation in their province or territory and govern the CPA profession within their respective jurisdictions.

CPA Canada was created under federal legislation to support the setting of accounting and assurance standards; to undertake research; and to represent the interests of the Canadian CPA profession nationally and internationally.

CPA Canada's Collaboration Accord is effectively the framework that maps out how Canadian CPA bodies work together. The Accord sets forth the Core Elements of the profession that are to be dealt with in a uniform, consistent, and coordinated manner across the country - so CPA bodies can work together to ensure the protection of the public.

In June, CPA Ontario and CPA Quebec announced that they were withdrawing from the Collaboration Accord. CPABC is actively involved in helping all CPA bodies develop a new model for working together collaboratively. As this work progresses, CPABC will continue to fulfill its legislative responsibilities and meet its day-to-day operations. It is not anticipated that there will be an impact on the portability of the CPA designation or practice rights across Canada.



CPABC has been named a Top Employer for BC by Mediacorp Canada every year since 2020.

Based on the last team culture survey taken, CPABC's employees were very satisfied with working for CPABC, intend to stay, and would recommend the organization as a good place to work.

Talent Management

CPABC continually strives to be an employer of top talent, to understand and meet the needs of its team, and to foster a healthy and supportive culture. CPABC has been named a Top Employer for BC by Mediacorp Canada every year since 2020.

CPABC also continued to focus on leadership development and created its first Leadership Program designed for emerging leaders: “The CPABC L.E.A.D. Program.” Nominations were requested, and 15 staff from across the organization began the program.

Based on the last team culture survey taken, CPABC’s employees were very satisfied with working for CPABC, intend to stay, and would recommend the organization as a good place to work.

Systems and Processes

CPABC maintained robust and consistent internal accounting and administrative control systems in a remote working environment, and met the requirements of statutes, such as the *Freedom of Information and Protection of Privacy Act* and the Canadian anti-spam legislation.

Such systems provided reasonable assurance that the financial information was relevant, reliable, and accurate, and that CPABC’s assets were appropriately accounted for and adequately safeguarded.

CPABC has pivoted effectively to support hybrid work and believed there were no mission-critical systems, controls, procedures, or deficiencies that impaired its ability to provide reliable and timely disclosure or affected its ability to execute the strategic and operational plans. CPABC continued to improve and enhance the functionalities of existing systems and integrate new systems to support operational efficiencies.

Strong security processes and systems were also critical as CPABC’s staff shifted from working from home into a hybrid approach. The organization stepped up data governance by implementing processes and controls and providing training to assigned data owners and stewards to be more accountable for collection, authorized use, and retention of data within their functional areas of responsibility.



CPABC has pivoted effectively to support hybrid work and believed there were no mission-critical systems, controls, procedures, or deficiencies that impaired its ability to provide reliable and timely disclosure or affected its ability to execute the strategic and operational plans.

2023-24 CPABC'S BOARD OF DIRECTORS



Christopher Gimpel, CPA, CA
Chair



Peter Guo, CPA, CA
First Vice-Chair



J. Alain LeFebvre, FCPA, FCA
Second Vice-Chair



Alexander (Sandy) Stedman, FCPA, FCA
Treasurer



Bernard Achampong, CPA, CMA
Director



Bill Chan, CPA, CGA
Director



Craig Elliott, CPA, CGA
Director



Lisa Ethans, FCPA, FCA
Director



Thomas Fink, CPA, CMA
Director



Wendy Ham, CPA, CGA
Director



Josie Lim, CPA, CA
Director



John Mackenzie, CPA, CA
Director



Tiffany Snauwaert, CPA, CA
Director



Andrew Sweeney, CPA, CA
Director



Peter Tingling, CPA, CGA
Director



Alicia Williams, CPA, CPA (Arizona)
Director



Ken Leung
Public Representative



Bijan Pourkarimi
Public Representative



Grace Wong
Public Representative

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

CPABC is focused on measuring its impact and performance in Environmental, Social, and Governance measures. From everyday practices to long-term strategies, we are committed to a sustainable future for our organization and profession and will strive for continuous improvement.

In order to measure progress, CPABC will aim to follow core reporting standards issued by the Sustainability Accounting Standards Board (SASB), which are internationally known and widely used. In addition, like many other organizations around the world, CPABC may also adopt parts of other reporting standard(s) to ensure its reporting is relevant and comprehensive.

While CPABC is in the early stages of its ESG journey, this past year, the organization reviewed the SASB standards under the Sector/ Industry category of “Service – Professional Service & Commercial Services,” assessed current baselines and determined where gaps exist. Work has begun on many initiatives with measurable results (already available and/or planned) and together with existing programs that were already in place prior to the assessment, CPABC is working to mitigate the gaps found. Some notable accomplishments are:

Environment

To ensure future generations can enjoy the benefits of a healthy and sustainable planet we must protect and preserve the environment. CPABC is doing its part by reducing paper wastage through digital transformation, participating in a comprehensive building recycling program, and providing employees with a public transit subsidy. Most importantly, CPABC is building a green culture and awareness within the organization.



In order to measure progress, CPABC will aim to follow core reporting standards issued by the Sustainability Accounting Standards Board (SASB)

Social

Employees, members, and the communities in which CPABC operates are critical to the future of the organization. In past years, CPABC has invested considerable resources developing an Indigenous Engagement Strategy and an Equity, Diversity, and Inclusion Strategy to contribute to a more inclusive and equitable community. Over the past year, CPABC has established an EDI Alliance with internal staff to ensure that EDI activities are developed with the benefit of diverse perspectives. Several staff training initiatives took place focused on unconscious bias, inclusive leadership, and psychological health and safety. CPABC also completed an EDI benefits review to better reflect the current workplace environment and diverse staff. Significant progress was also made on the Indigenous Engagement Strategy, and at year end, there was an increase of Indigenous CPA students entering the CPA Professional Education Program. CPABC also focused on further engagement with Indigenous communities and conducted respectful dialogue, listening to understand community needs and how the CPA profession could add value and be a partner. Key engagement, education, recruitment, and sponsorship activities were undertaken.

CPABC also has a long history of being active within the community with its Day of Giving, United Way campaigns, and the volunteer driven Financial Literacy Program.

Governance

Governance refers to an organization's leadership, ethical behavior, and transparency. As the provincial regulatory body for Chartered Professional Accountants, CPABC holds itself to a high standard when it comes to governance. Board composition, risk management, ethics, reporting, and anti-corruption mechanisms are already well-established and follows best practices within the organization. In particular, CPABC has implemented a rolling three-year Cybersecurity strategy to ensure the organization's data is secured and protected.



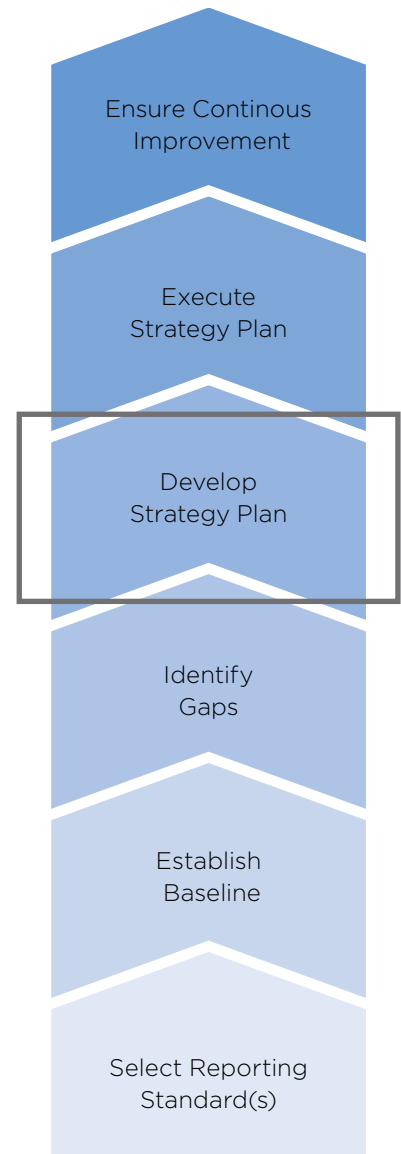
CPABC also has a long history of being active within the community with its **Day of Giving, United Way campaigns, and the volunteer driven Financial Literacy Program.**

Next Steps

CPABC's next steps in its ESG journey are to identify material ESG issues that are appropriate for the organization to focus on and which to report. The organization will continue to set appropriate metrics to measure progress and address the remaining gaps. The three-year rolling ESG strategy will then be developed in more detail, including how to communicate the performance and impact on a range of topics that are important to the organization and its employees, members, and the wider community.



CPABC's ESG Journey



FINANCIAL PERFORMANCE

In 2023/24, CPABC generated a net deficit of \$1,280,000 compared to a deficit of \$5,310,000 in the prior year. This net deficit was planned for and reviewed by the board and provided additional resources for the organization to support regulatory processes and deliver on its mandate of protecting the public and to support members and students, leveraging diverse delivery models to enhance operational effectiveness. In comparison to the prior year, the net deficit was lower largely due to:

- » Net contribution from CPA Western School of Business of \$2,077,000 compared to \$685,000 in the prior year. While the school is experiencing a slight softening in learner numbers compared to the prior year, overall costs are lower attributed to the higher learner-to-proctor ratios reducing the proctor and invigilator costs. In addition, a reduction in CFE exam facility costs due to having the exams held in exam writing centres compared to the prior year where they were held in hotel rooms due to COVID.
- » Net investment income of \$3,296,000 for the current year compared to \$438,000 in the prior year. The initial uncertainty in the financial market at the beginning of the fiscal year was driven by continued inflation and resulting interest rate increases. As inflation declined, interest rates held steady with the market rebounding in the latter part of the fiscal year causing significant unrealized gains.



Net investment income of \$3,296,000 for the current year compared to \$438,000 in the prior year.

Net contribution and recoveries from **CPA Western School of Business (CPAWSB)** of \$2,077,000 compared to \$685,000 in the prior year.

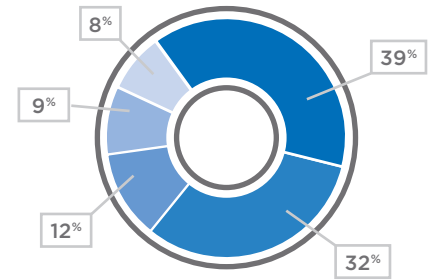
Revenues

Total revenue in 2023/24 for CPABC was \$53,359,000 compared to \$48,984,000 in the prior year.

The increase in revenue is primarily attributable to the increase in net contribution from CPAWSB and investment income as described above.

As a result of the operating agreement with CPAWSB as an agent delivering education on behalf of the four western provinces, the portion of student annual dues and module fees pertaining to BC students and candidates are recorded on CPABC's financial statements. Student annual dues and module fees (\$21,033,000) accounted for 39% of the revenues in 2023/24.

Aside from the student dues and module fees, other significant sources of funding for the profession's programs and services were membership dues (\$16,975,000), professional development revenue (\$6,373,000), and public practice and regulatory affairs revenue (\$4,986,000) which represented 32%, 12%, and 9% of revenues, respectively.



2023/24 Revenue

- 39% Student Annual Dues and Module Fees
- 32% Membership Dues
- 12% Professional Development
- 9% Public Practice and Regulatory Affairs
- 8% Other Revenue

Total Revenues

2023/24 \$53,360,000

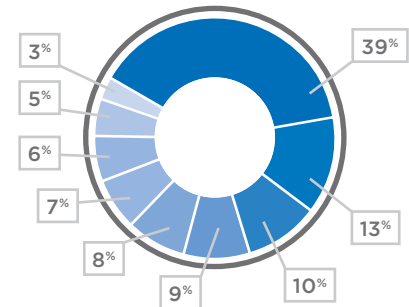
2022/23 \$48,984,000

Expenditures

Total expenditures in 2023/24 for CPABC were \$54,639,000 which are comparable to expenditures of \$54,294,000 in the prior year.

As a result of the Operating Agreement with CPAWSB mentioned above, expenses incurred by CPAWSB in the delivery of education on behalf of CPABC were recorded in CPABC's financial statements as Student Education Program expenses in the amount of \$18,956,000. Savings of \$1,534,000 in Student Education Program expenses were due to higher learner-to-proctor ratios reducing the proctors and invigilator costs as well CFE exam facility costs held in writing centres compared to prior year where they were held in hotel rooms. The permanent savings were redirected to:

- » Restart and support local Chapters, as well as numerous member and student support and engagement activities;
- » Ensure that CPABC continues to fulfill its mandate of protecting the public interest; and
- » Continue development of the Indigenous Engagement Strategy and expansion of the Financial Literacy Program



2023/24 Expenditures

- 39%** Student Education and Practical Experience Program
- 13%** Public Practice and Regulatory Affairs
- 10%** Professional Development
- 9%** Administration Support
- 8%** External Affairs and Communications
- 7%** Member Services and Engagement
- 6%** Information Technology
- 5%** Student Recruiting and Employer Relations
- 3%** Governance and Executive Office

Total Expenditures

2023/24 \$54,639,000

2022/23 \$54,294,000

FINANCIAL RISKS AND RISK MANAGEMENT

The ongoing operations of CPABC funded from revenues were derived primarily from three sources:

- » Student annual dues and module fees were 39% of total revenue with a net contribution of \$2,077,000. The profession must ensure the CPA education program continues to train qualified CPAs, while ensuring the program remains accessible and attractive to students, meeting the needs of employers, and continuing to meet market demand for CPAs.
- » Member dues were 32% of total revenue and funded many critical programs. With many members close to retirement with continued demand for CPAs, recruitment programs to attract sufficient CPAs to meet labour market needs is of continued importance. In addition to recruitment efforts, member support and satisfaction is critical for maintaining sustainable levels.
- » The professional development program accounted for 12% of CPABC's total revenue. Introducing new products and delivery methods come with financial risks due to uncertain participation rates, changing member preferences and the potential for competition. CPABC manages these risks by collaborating and cost sharing with other CPA bodies, conducting advanced market research and pilot offerings, and targeting its marketing.

One significant funding risk is related to CPABC's role as a regulator. Discipline cases can be complex and have unpredictable costs, causing uncertainty in terms of time, effort, and resources. CPABC has no control over these variables. To mitigate this risk, the Board established the Protection of the Public Reserve to ensure funding is available for CPABC to fulfil its regulatory mandate.

In the normal course of business, CPABC was exposed to financial risks, such as those related to credit, liquidity, and other price risks, which have the potential to adversely affect operating and financial performance. For an explanation of CPABC's exposure to the risks associated with its financial instruments, refer to the notes to the audited financial statements for the year ended March 31, 2024.

NON-FINANCIAL RISKS AND RISK MANAGEMENT

National Collaboration

CPA Canada's Collaboration Accord is effectively the framework that maps out how Canadian CPA bodies work together. The Accord sets forth the Core Elements of the profession that are to be dealt with in a uniform, consistent, and coordinated manner across the country – so CPA bodies can work together to ensure the protection of the public.

In June, CPA Ontario and CPA Quebec announced that they were concluding their agreement with CPA Canada (**Collaboration Accord**). Although all CPA bodies have indicated their commitment to develop a new model for working together collaboratively, there is a risk that all CPA bodies cannot come to an agreement. CPABC has mitigated this risk by being actively involved and contributing to the development of this new model. As this work progresses nationally, it has had minimal impact on CPABC. Going forward, the organization will continue to fulfill its legislative responsibilities, meet its day-to-day operations, and work with other CPA bodies across Canada.

Regulatory

There were several risks associated with regulation of members and adherence to new standards that CPABC actively mitigated throughout the course of the year.

CPABC had representatives on national regulatory committees. Accounting regulation is harmonized wherever possible across Canada, which enhances the profession's adoption of best practices.

CPAs must stay abreast of emerging accounting and assurance standards and must be aware of and adapt to regulatory change in a timely manner. There is a risk that members will not put in the effort required to manage the increasing complexity and volume of standards changes. To mitigate this, CPABC provided tools and support to help members adjust to evolving standards and maintain the quality of their work.

In addition, CPABC focused on member education to ensure awareness and compliance during a time of extensive regulatory change and monitored the quality of the work performed by public practitioners through practice review with a goal of helping them deal with the increased complexity.

In terms of managing and ensuring compliance of members, CPABC worked with volunteers (members and public representatives) to effectively deliver its regulatory mandate: maintaining student enrolment, membership admission, public practice licensure and firm registration, and mandatory continuing education requirements; conducting reviews of public practice firms; investigating complaints; and disciplining members, firms, and students.

To mitigate the risks associated with the use of volunteers in such a critical area, CPABC ensured that those participating on regulatory committees had an appropriate level of expertise.

With the exception of the Disciplinary Committee, which received most of its powers directly from the CPA Act, CPABC's Board played a very active role in the oversight of regulatory committees.

Oversight activities included:

- » Appointing a board member to be a liaison officer for each of the key regulatory committees.
- » Approving governance policies that determined how the committees were to operate.
- » Approving all committee appointments.
- » Receiving timely updates on committee activities throughout the year.
- » Requiring committee chairs attend a board meeting and formally present the activities of the committee at least annually.

Attracting Students

CPABC continued to promote the program in order to attract students to the profession. However, there is a risk that the program will not attract sufficient applicants. A contributing factor is ongoing provincial labour shortages, which are increasing overall job opportunities and competition for talent. In addition, PSIs have experienced a decline in enrollment into business and accounting programs, which are where the CPA program tends to draw the most candidates from. Most recently, this reduction in the PSI potential student pipeline is exacerbated by the Federal government's January 2024, announcement to reduce study permits issued to international individuals by 35% over the next two years which may narrow the pipeline of students for the CPA program, the degree to which is still unknown.

To ensure CPA PEP evolves to meet or exceed standards expected by the marketplace and continues to attract applicants, the profession updated the Competency Map and is creating a new Certification Program to deliver it.

CPA Brand

CPAs worked in every sector of the economy and provided insight and guidance on many significant financial decisions. They operated in a complex, fluid, and changing environment where public and government expectations could shift with respect to financial reporting, transparency, and the role of auditors.

One of CPABC's members or firms could come under the media spotlight in a negative way, which could have a negative impact on the CPA brand and the reputation of the profession. CPABC monitored media daily to assess how CPAs and CPABC was being portrayed in the media.

CPABC Operations

When looking at delivery of services, CPABC relied on the services of volunteers to complete many of its programs and regulatory responsibilities. The talent and expertise of volunteers are among its most valuable resources.

There is always some risk that volunteers may not be as willing or able to donate their time and CPABC could eventually incur a significant cost in trying to replace lost expertise. To mitigate this risk, CPABC ensured positive and rewarding experiences for volunteers and created flexible volunteer opportunities.

Talent management is a key element of success for any organization, and ensuring employee engagement is critical. To mitigate the risk of high staff turn over or burn out, CPABC offered a high-quality work environment with a competitive total compensation package. There was also a focus on engagement activities and training opportunities on mindfulness, mental wellness, and resilience that support staff's mental health.

CAPABILITY TO DELIVER RESULTS

At March 31, 2024, cash and investments available to the organization totalled \$48,775,000 (2023 - \$49,246,000), a decrease of \$471,000 due to the investment in capital expenditures and funding operational activities.

CPABC continued to engage an external investment advisor. Staff and CPABC's treasurer continued to meet with the investment advisor quarterly. In addition, the Audit Committee reviewed the investment policy and portfolio performance semi-annually. The primary objective of CPABC's investment policy was 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 was to achieve an annual return that exceeds a benchmark based on the asset allocation weighting.

CPABC believes its current cash and short-term investments, combined with the anticipated cash flow from operations, are sufficient to meet the working capital and capital expenditure requirements for the foreseeable future.

NET ASSETS

The net assets available are as follows:

	March 31, 2024	March 31, 2023
Total unrestricted net assets	\$ 19,180,000	\$ 19,286,000
Invested in tangible and intangible assets	3,233,000	3,040,000
Strategic opportunity fund	3,415,000	4,782,000
Protection of the Public Reserve	2,500,000	2,500,000
Fee Stabilization Fund	1,000,000	1,000,000
Total Net Assets	\$ 29,328,000	\$ 30,608,000

In 2023/24, the total capital expenditures were \$1,098,000, of which \$418,000 related to computer hardware and software purchases, \$530,000 for the development of the practice review system, and \$150,000 for CPABC's database and furniture and equipment.

The unrestricted net assets remain in excess of the target threshold as per the Board approved Net Asset Policy. In 2014/15, the respective Boards and Council of the legacy bodies internally restricted amounts for the Strategic Opportunity Fund, \$3,415,000 (2023 - \$4,782,000) for projects benefiting the profession and its members and students. This year, \$946,000 was spent on outreach to Indigenous communities through collaboration with key partners, and the online delivery of the CPA Canada Financial Literacy program in BC. As well, \$421,000 was spent on the new certification program, which is a significant project in support of the evolving needs of the profession.

In 2017/18, the Board internally restricted \$2,500,000 for the Protection of the Public Reserve, which is comprised of those resources to offset unexpected costs in the event of a significant disciplinary case that could not be absorbed within the operational budget. The Board also internally restricted \$1,000,000 for the Fee Stabilization Fund to set aside resources to mitigate significant provincial member fees that could otherwise be impacted by one-time operational priorities.

The Board and management believe the net assets of the profession are sufficient to:

- a) Provide the financial capital needed to meet any unexpected financial risks CPABC may encounter in the near future; and
- b) Maintain reasonable stability in the annual membership dues payable by members.

OUTLOOK FOR 2024/25

Heading into the next fiscal year there is some uncertainty regarding the province's economic outlook due to continued persistent inflation. Against this backdrop, CPABC will continue to deliver on its overarching mandate of protecting the public and supporting members and students, leveraging diverse delivery models to enhance operational effectiveness.

The regulatory environment continues to evolve apace and being aware of the environmental changes and effectively adapting to them is critical. Within this dynamic environment, regulatory priorities will include administrative enhancements to comply with the new provincial *International Credential Recognition Act*, implementation of the remaining Cullen Commission recommendations, and monitoring and supporting practitioners with adoption of the new Quality Management standards – all the while ensuring that the ongoing regulation of the profession continues in an effective and efficient manner.

The profession is seeing candidates take longer to complete the program while labour market studies are suggesting that the demand for CPAs will outpace supply in the next few years. Taken together, the organization will continue to focus on the attractiveness of the profession and pipeline health for CPAs. The organization will also monitor the impact of the new Federal cap on international students.

Pipeline activities will continue to target post-secondary students, Indigenous peoples, and workforce career changers with an increased focus on high school students and internationally educated individuals. In doing so, recruitment efforts will continue to communicate to prospective students the value of a CPA designation to their career. CPABC will also continue to collaborate with other organizations, particularly Indigenous organizations, on Indigenous student and community initiatives to increase connection with Indigenous students.

The New Certification Program (**NCP**) development project, which began in the current year, will continue requiring both financial as well as staff resources from provincial bodies, including CPABC.

CPABC will also continue to build on our reputation for providing quality learning products and experiences by continuing to source systems, processes, and technologies that will enhance the growth and quality of both synchronous and On-Demand delivery of learning. The organization plans to source an e-commerce platform for professional development courses that will enhance administrative efficiencies and provide a better user experience for members.

Next year, CPABC will continue to position the organization and its members as thought leaders and subject matter experts, profiling members in various roles and industries. The focus will continue to be on ensuring different stakeholders, such as the business community and government, understand CPABC's role as a regulator, and that the public values CPAs and recognizes the expertise and diversity of skills of CPAs. CPABC will also participate in the development and implementation of the national communications strategy for the launch of the NCP when appropriate.

Lastly, although artificial intelligence (**AI**) is not new, the availability of technologies such as ChatGPT has shown many organizations the efficiencies that are possible when leveraging AI and technology more broadly. To ensure that CPABC is future ready, the organization will look to automate workflows and processes and explore the use of AI where appropriate without compromising data security. All of this work will be undertaken while CPABC maintains and delivers its existing programs and initiatives to the high standards of the organization.

FINANCIAL STATEMENTS

Management responsibility for financial reporting

The accompanying financial statements and all other information contained in this annual report are the responsibility of the management of the **Chartered Professional Accountants of British Columbia (CPABC)**. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and have been approved by the Board of Directors.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of CPABC. Management maintains a system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis and are properly approved, resulting in the presentation of reliable financial information. Such information also includes amounts based on management's best estimate and judgment.

The Audit Committee (the "Committee") reviews the annual financial statements and recommends them to the Board of Directors for its approval. In addition, the Committee meets periodically with management and the external auditor. The Committee reports directly to the Board of Directors and reviews the annual report in its entirety.

The accompanying financial statements have been audited by BDO Canada LLP, who is engaged by the Board of Directors, on the recommendation of the Committee, and whose appointment was approved by the members at the annual general meeting. The external auditor has access to the Committee, without management present, to discuss the results of the audit.

DATED May 28, 2024



Lori Mathison, FCPA, FCGA, LLB, BCL
**PRESIDENT AND
CHIEF EXECUTIVE OFFICER**



Amy Y. Lam FCPA, FCA
**EXECUTIVE VICE PRESIDENT,
CORPORATE SERVICES AND
CHIEF FINANCIAL OFFICER**



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1055 West Georgia Street
Vancouver BC V6E 3P3 Canada

Independent Auditor's Report

To the Members of the Chartered Professional Accountants of British Columbia

Opinion

We have audited the accompanying financial statements of the Chartered Professional Accountants of British Columbia, which comprise the Statement of Financial Position as at March 31, 2024, 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 British Columbia as at March 31, 2024, and its results of operations and 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 this report. We are independent of the Chartered Professional Accountants of British Columbia 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 British Columbia'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 British Columbia 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 British Columbia'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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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 British Columbia'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 British Columbia'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 British Columbia 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 29, 2024

Chartered Professional Accountants of British Columbia

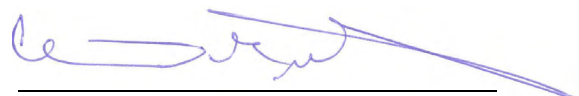
All in \$000's

Statement of Financial Position

As at March 31, 2024

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 13,821	\$ 15,614
Accounts receivable	10,711	8,491
Loan receivable (Note 2)	-	330
Short term investments (Note 3)	7,009	7,907
Prepaid and other assets	1,361	1,302
	32,902	33,644
Prepaid expenses	110	146
Investments (Note 4)	27,945	25,725
Equipment and leaseholds (Note 6)	2,090	2,366
Intangible assets (Note 7)	2,015	1,684
	\$ 65,062	\$ 63,565
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 10,273	\$ 8,304
Deferred revenue (Notes 9, 15)	24,590	23,644
	34,863	31,948
Deferred Lease Inducements (Note 10)	871	1,009
NET ASSETS		
Invested in capital and intangible assets (Note 13)	3,233	3,040
Internally restricted (Note 12)	6,915	8,282
Unrestricted	19,180	19,286
	29,328	30,608
	\$ 65,062	\$ 63,565

On behalf of the Board.



Christopher Gimpel, CPA, CA
Chair of the Board



Alexander (Sandy) Stedman, FCPA, FCA
Treasurer

Chartered Professional Accountants of British Columbia

All in \$000's

Statement of Operations

For the year ended March 31, 2024

	2024	2023
REVENUES		
Student annual dues and module fees (Note 15)	\$ 21,033	\$ 21,117
Membership dues	16,975	15,314
Professional development	6,373	6,521
Regulatory affairs:		
Public practice fees	3,918	3,804
Admission fees	1,050	907
Discipline fines	18	70
Investment income (Note 5)	3,296	438
Other revenue	395	476
Employment referral services	196	311
Member services and events	105	26
	\$ 53,359	\$ 48,984
EXPENSES (Note 18)		
Student education delivery (Note 15)	\$ 18,956	\$ 20,490
Professional development	5,301	5,264
Regulatory affairs		
Public practice registration and review	3,119	2,897
All other regulatory affairs	4,292	4,442
Administration support	4,769	4,346
External affairs and communications	4,154	4,210
Member services and engagement	3,803	2,970
Information technology	3,372	3,032
Student recruitment and employer relations	2,739	2,528
Practical experience and education	2,576	2,616
Governance and executive office	1,558	1,499
	\$ 54,639	\$ 54,294
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (1,280)	\$ (5,310)

Chartered Professional Accountants of British Columbia

All in \$000's

Statement of Changes in Net Assets

For the year ended March 31, 2024

	Invested in Capital & Intangible Assets (Note 13)	Internally Restricted (Note 12)	Unrestricted	Total Net Assets
Opening Net Assets, April 1, 2022	\$ 2,692	\$ 9,084	\$ 24,142	\$ 35,918
Deficiency of revenue over expenses	(845)	(802)	(3,663)	(5,310)
Net investments (Note 13)	1,193	-	(1,193)	-
Net Assets, March 31, 2023	\$ 3,040	\$ 8,282	\$ 19,286	\$ 30,608
Opening Net Assets, April 1, 2023	\$ 3,040	\$ 8,282	\$ 19,286	\$ 30,608
Excess (Deficiency) of revenue over expenses	(888)	(1,367)	975	(1,280)
Net investments (Note 13)	1,081	-	(1,081)	-
Net Assets, March 31, 2024	\$ 3,233	\$ 6,915	\$ 19,180	\$ 29,328

Chartered Professional Accountants of British Columbia

All in \$000's

Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (1,280)	\$ (5,310)
Changes in non-cash items:		
Amortization of equipment and leaseholds	672	655
Amortization of intangible assets	354	327
Loss on disposal of equipment and leaseholds	13	-
Loss on write off of equipment	4	-
Loss on write off of intangible assets	-	22
Reinvested distributions from pooled funds	(449)	(596)
Realized (gain) loss on sale of investments	(218)	60
Unrealized (gain) loss on investments	(1,497)	1,126
Amortization of deferred lease inducements	(138)	(137)
	\$ (2,539)	\$ (3,853)
Change in non-cash working capital items		
Accounts receivable	(2,220)	2,479
Loan receivable	330	(330)
Prepaid and other assets	(23)	(289)
Accounts payable and accrued liabilities	1,969	1,875
Deferred revenue	946	1,751
	\$ (1,537)	\$ 1,633
INVESTING ACTIVITIES		
Purchase of investments	\$ (16,219)	\$ (3,039)
Proceeds on sale of investments	17,061	8,903
Purchase of equipment and leaseholds	(413)	(407)
Purchase of intangible assets	(685)	(808)
	\$ (256)	\$ 4,649
Net change in cash	\$ (1,793)	\$ 6,282
Cash, beginning of year	15,614	9,332
Cash, end of year	\$ 13,821	\$ 15,614

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

2023/2024 CPABC Annual Report

Purpose and Nature of Organization

On June 24, 2015, the Chartered Professional Accountants of British Columbia (CPABC) was legally established under the *Chartered Professional Accountants Act (CPA Act)*. Under the CPA Act, only members of CPABC are recognized as Chartered Professional Accountants in BC and are subject to regulation by CPABC. CPABC is a member organization of the Chartered Professional Accountants of Canada (CPA Canada) and is a tax-exempt body under Section 149 of the Income Tax Act.

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

1. to promote and maintain the knowledge, skill and proficiency of members and students in the practice of accounting;
2. to establish qualifications and requirements for admission as a member and continuation of membership, and for enrollment and continuation of enrollment of students;
3. to regulate all matters, including 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 members and students.

1. SIGNIFICANT ACCOUNTING POLICIES

a) *Basis of Accounting*

These 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*

CPABC follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Membership dues and admission fees, are recognized as revenue in the year in which they apply. Membership fees received in advance of the membership year to which they relate are recorded as deferred revenue.

Professional development revenue is recognized when the course is delivered. The liability is recorded as deferred revenue for the portion of course revenues collected but not yet delivered and passport revenue not yet used. The passport term runs from September 1 through August 31 of the following fiscal year.

Public practice fees are recognized as revenue in the year in which they apply and the amount collected are allocated proportionately over 12 months commencing September 1, first day of the licensing year, and the portion not yet earned is recorded as deferred revenue.

Discipline fines are recognized when their collection is assured and all of CPABC's internal processes and any known external appeals are complete.

Student annual dues are recognized as revenue in the year in which they apply. Student annual dues received in advance of the year to which they relate are recorded as deferred revenue.

Module fees are recognized when the courses are delivered. The liability for the portion of module fees collected but not yet delivered is recorded as deferred revenue.

Investment income includes interest income, dividends and realized and unrealized gains and losses.

Other revenue is recognized on an accrual basis as earned.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)c) *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas requiring management estimates and assumptions include the useful lives of equipment, leaseholds and intangible assets for calculating amortization; the determination of the deferred portion of Professional Development (PD) passport fees; the allocation of education program expenses from the CPA Western School of Business (CPAWSB); and the allocation of expenses to the appropriate functional category and contingencies.

d) *Loan Receivable*

Loan receivable from CPAWSB, a related party, is measured at cost using the undiscounted cashflows excluding interest payments less impairment losses.

e) *Short term investments*

Short-term investments consist of guaranteed investment certificates with maturity dates up to twelve months from the date of acquisition and the portion of fixed income fund that will be redeemed within the next fiscal year.

Guaranteed investment certificates are measured at amortized cost. Investments in pooled fixed income funds are initially recognized and subsequently measured at fair value, determined using market information. Transaction costs and net gains and losses arising from changes in fair value are immediately recognized in the statement of operations. Transaction costs are added to the initial acquisition cost for instruments carried at amortized cost.

f) *Investments*

Investments consist of pooled fixed income and equity funds, which are initially recognized and subsequently measured at fair value, determined using market information. Transaction costs and net gains and losses arising from changes in fair value are immediately recognized in the statement of operations.

g) *Equipment, Leaseholds and Intangible Assets*

Equipment and leaseholds are recorded at cost. Amortization is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Leasehold improvements	remaining term of lease
Office furnishings and equipment	five to ten years
CPABC member database	ten years
Computer equipment and software	three years
Practice review software	ten years
Website and other software	five to seven years

Equipment, leaseholds and intangible assets are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the equipment, leaseholds, or intangible asset to its fair value or replacement cost. Any impairment of these assets is charged to income in the period in which the impairment is determined.

An impairment loss is not reversed if the fair value of the equipment, leaseholds or intangible asset subsequently increases.

Chartered Professional Accountants of British Columbia

Notes to Financial Statements

For the year ended March 31, 2024

All in \$000's

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) *Lease Inducements*

CPABC accounts for lease inducements received by deferring such amounts and amortizing them on a straight-line basis over the term of the lease.

i) *Controlled Entities*

Controlled not-for-profit entities are not consolidated in CPABC's financial statements as the bylaws and trust agreements of the entities specify that the entities' assets are to be used for specific purposes only and are not available to CPABC even in the event of the entities' dissolution. CPABC believes separate note disclosure of controlled entities provides a more meaningful presentation of CPABC's activities.

j) *Significantly Influenced not-for-profit organization*

The Board of Directors of CPAWSB, a not-for-profit organization, is comprised of the CEOs from the four western provinces. CPABC has 25% representation on the board of directors which meets the definition of significant influence over CPAWSB. CPABC is also one of four members of CPAWSB and CPABC's membership is not transferrable. Accordingly, no ownership interest of CPAWSB is reflected in the financial statements.

k) *Allowance for Doubtful Accounts*

Accounts receivable are reviewed on a monthly basis and are provided for when it is determined that the likelihood of collection is low.

l) *Donated Services*

CPABC 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 CPABC and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

2. LOAN RECEIVABLE

On July 12, 2022, CPAWSB restructured its operations as a not-for-profit corporation, facilitated with a loan from each of the four western provinces. CPABC advanced a loan to CPAWSB amounting to \$488 secured by a General Security Agreement. The term of the loan is 18 months beginning September 30, 2022 at an interest rate of 5.3%, repayable in quarterly blended payments of \$88. As at March 31, 2024, the loan receivable due to CPABC has been fully repaid (2023 – \$330).

3. SHORT TERM INVESTMENTS

	2024	2023
Guaranteed investment certificates (GICs)	\$ 175	\$ 175
Pooled fixed income funds	2,818	7,567
Money market funds	4,016	165
Total short term investments	\$ 7,009	\$ 7,907

GICs have an effective interest rate of 4.75% (2023 – 4.45%) with a maturity date of November 2024 (2023 – November 2023). Fixed income funds include high grade corporate and government bonds.

Chartered Professional Accountants of British Columbia

Notes to Financial Statements

For the year ended March 31, 2024

All in \$000's

4. INVESTMENTS

	2024	2023
Pooled fixed income funds	\$ 8,317	\$ 4,550
Pooled equity funds	16,860	18,985
Private asset and infrastructure fund	2,405	1,451
Money market funds	360	629
US money market fund	3	110
Total investments	\$ 27,945	\$ 25,725

Pooled fixed income funds include high grade corporate and government bonds, with a varying mix between medium and longer term maturities. Equity funds are invested in Canadian, US and international securities holding publicly-traded common shares, and convertible securities. The Canadian, US and International portion of the portfolio was 61%, 23%, 16% respectively as at March 31, 2024 (2023 – 59%, 22%, 19%). The private infrastructure fund is invested in international private and diverse infrastructure projects.

5. INVESTMENT INCOME

	2024	2023
Interest and dividend income	\$ 1,132	\$ 1,028
Reinvested distribution from pooled funds	449	596
Realized gain (loss) on sale of investments	218	(60)
Unrealized gain (loss) on fair value of investments	1,497	(1,126)
Total investment income	\$ 3,296	\$ 438

6. EQUIPMENT AND LEASEHOLDS

	Cost	Accumulated Amortization	Net Book Value 2024	Net Book Value 2023
Harbour Centre leasehold improvements	\$ 2,852	\$ 1,536	\$ 1,316	\$ 1,486
Office furnishings and equipment	924	718	206	286
Computer equipment	2,140	1,572	568	594
Total equipment and leasehold	\$ 5,916	\$ 3,826	\$ 2,090	\$ 2,366

7. INTANGIBLE ASSETS

	Cost	Accumulated Amortization	Net Book Value 2024	Net Book Value 2023
Computer software	\$ 719	\$ 666	\$ 53	\$ 64
Practice Review software	1,344	27	1,317	814
Website and other software	525	275	250	201
CPABC member database	1,917	1,522	395	605
Total intangible assets	\$ 4,505	\$ 2,490	\$ 2,015	\$ 1,684

Chartered Professional Accountants of British Columbia

Notes to Financial Statements

For the year ended March 31, 2024

All in \$000's

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables	\$ 5,934	\$ 3,062
Accrued liabilities and other	3,670	3,961
Government remittances	669	1,281
Total accounts payable and accrued liabilities	\$ 10,273	\$ 8,304

9. DEFERRED REVENUE

	2024	2023
Membership dues	\$ 13,640	\$ 13,298
Student annual dues and module fees	8,016	7,480
Public practice fees	1,738	1,638
Professional development	1,151	1,147
Other	45	81
Total deferred revenue	\$ 24,590	\$ 23,644

10. DEFERRED LEASE INDUCEMENTS

CPABC received leasehold inducements of \$2,063 to fund leasehold improvements for the Harbour Centre premises in 2015 and 2016. These inducements have been deferred and are being amortized on a straight-line basis over the term of the lease.

	2024	2023
Opening balance	\$ 1,009	\$ 1,146
Current year amortization	(138)	(137)
Closing balance	\$ 871	\$ 1,009

11. COMMITMENT AND CONTINGENCIES

- a) The lease term for Harbour Centre commenced August 1, 2015 and extends through to July 31, 2030 with two options to renew for two further 5-year terms. In addition to the minimum lease payments, CPABC is required to pay a portion of operating costs and property taxes of \$714 (2023 – \$647).

Minimum lease payments required under the terms of the Harbour Center lease are as follows:

2025	\$ 689
2026	731
2027	752
2028	752
2029	752
2030 and thereafter	1,002
Total	\$ 4,678

Chartered Professional Accountants of British Columbia

Notes to Financial Statements

For the year ended March 31, 2024

All in \$000's

11. COMMITMENT AND CONTINGENCIES (continued)

- b) CPABC has issued statements of complaint and is involved with certain legal actions related to various matters arising from its regulatory process. The outcomes of these matters are not determinable and the associated costs cannot be reasonably estimated. CPABC has no reason to expect that the ultimate disposition of any of these matters will have a material adverse impact on its financial position, results of operations or its ability to carry on any of its business activities.

12. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT

CPABC's main objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial commitments, including possible contingencies and unforeseen external events. CPABC has established criteria for sound financial management through the unrestricted net assets policy which sets an appropriate target range.

CPABC maintains a policy to internally restrict an amount equal to the net assets invested in equipment, leaseholds and intangible assets, net of leasehold inducements of \$871 (2023 - \$1,009).

In addition, the Board approved the following categories of internally restricted net assets:

- Strategic Opportunity Fund of \$3,415 (2023 - \$4,782), which is comprised of those resources the Board is restricting for projects that will benefit the profession and its members and students.
- Protection of the Public Reserve of \$2,500, which is comprised of those resources restricted to fund significant disciplinary activities which protect the public.
- Fee Stabilization Fund of \$1,000, which is comprised of those resources available to offset potential costs in order to minimize fluctuation in provincial member fees.

These internally restricted amounts are not available for any other purpose without prior approval of the Board. As at March 31, 2024, the following amounts remain internally restricted:

	2024	2023
Invested in capital & intangible assets	\$ 3,233	\$ 3,040
Strategic opportunity fund	3,415	4,782
Protection of the public reserve	2,500	2,500
Fee stabilization fund	1,000	1,000
Closing balance	\$ 10,148	\$ 11,322

	Internally Restricted					TOTAL Internally Restricted	Unrestricted	Total Net Assets
	Invested Capital & Intangible Assets	Strategic Opportunity Fund	Protection of the Public Reserve	Fee Stabilization Fund				
Net Assets, April 1, 2023	\$ 3,040	\$ 4,782	\$ 2,500	\$ 1,000	\$ 11,322	\$ 19,286	\$ 30,608	
Excess (Deficiency) of revenue over expense	(888)	(1,367)	-	-	(2,255)	975	(1,280)	
Net investments (Note 13)	1,081	-	-	-	1,081	(1,081)	-	
Net Assets, March 31, 2024	\$ 3,233	\$ 3,415	\$ 2,500	\$ 1,000	\$ 10,148	\$ 19,180	\$ 29,328	

Chartered Professional Accountants of British Columbia

Notes to Financial Statements

For the year ended March 31, 2024

All in \$000's

13. NET ASSETS INVESTED IN CAPITAL AND INTANGIBLE ASSETS:

- a) Net assets invested in capital and intangible assets are calculated as follows:

	2024	2023
Equipment and leaseholds	\$ 1,100	\$ 1,238
Intangible assets	2,133	1,802
	\$ 3,233	\$ 3,040

- b) Changes in net assets invested in capital and intangible assets is comprised of the following:

	2024	2023
Deficiency of revenue over expenses		
Amortization of equipment and leaseholds	\$ (672)	\$ (655)
Amortization of intangible assets	(354)	(327)
Amortization of deferred lease inducements	138	137
	\$ (888)	\$ (845)
Net investment in invested in capital and intangible assets:		
Purchase of equipment and leaseholds	\$ 413	\$ 407
Purchase of intangible assets	685	80
Write off on intangible asset	-	(22)
Loss on disposal of computer equipment	(13)	-
Write off of equipment	(4)	-
	\$ 1,081	\$ 1,193

14. RELATIONSHIPS WITH OTHER ORGANIZATIONS

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

- a) **Chartered Professional Accountants of Canada (CPA Canada)** is the national body which supports the provincial accounting bodies that have unified as Chartered Professional Accountants (CPA) 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 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 bodies their proportionate share totaling \$1,620 (2023 - \$3,858). CPABC's contribution to funding these projects amounted to \$252 (2023 - \$613). These transactions are reflected in the appropriate cost function on the statement of operations.

On February 1, 2017, CPA Canada and the provincial bodies signed the Education Agreement which outlines the model to allocate costs and resulting net deficits or surplus for the national CPA pre-certification programs. Under this agreement, CPA Canada accumulates the related revenues and costs and distributes to the provincial bodies their proportionate share of the net payable totalling \$1,118 (2023 – \$4,616) of which CPABC's share is \$173 net deficit (2023 – \$714).

On June 20, 2023, CPA Ontario and CPA Quebec announced that they were concluding their agreement, the Collaboration Accord, with CPA Canada effective December 20, 2024. A new model of national collaboration is being developed.

Chartered Professional Accountants of British Columbia

Notes to Financial Statements

For the year ended March 31, 2024

All in \$000's

14. RELATIONSHIPS WITH OTHER ORGANIZATIONS (continued)

For the fiscal year, CPABC collected member dues on behalf of CPA Canada totalling \$11,814 (2023 - \$11,649). At March 31, 2024, a net amount of \$5,610 (2023 - \$2,731) was owed to CPA Canada.

- b) The **Chartered Professional Accountants of Yukon (CPA Yukon)** is administered by CPABC and administrative fees of \$40 (2023 - \$35) were charged to CPA Yukon for the services rendered. CPABC also runs practice review and licensing on behalf of CPA Yukon. Fees of \$23 (2023 - \$20) were charged by CPABC for services rendered in relation to practice review and licensing.

During the fiscal year, CPABC and CPA Yukon signed a Memorandum of Understanding between the two organizations which outlines the agreement for CPABC to remit to CPA Yukon online and on-demand PD sales associated with CPA Yukon members less any direct costs. A payment was made by CPABC in the amount of \$67,556.

- c) **CPA Insurance Plans West (CPAIPW)** administers benefit plans for members of the CPA bodies in British Columbia, Alberta, Saskatchewan, Manitoba, the Northwest Territories, and the Yukon. CPAIPW is a not-for-profit organization under the Income Tax Act. Each of the four western provinces, including CPABC, nominates two persons to serve on CPAIPW's eight-member board.

15. SIGNIFICANTLY INFLUENCED NOT-FOR-PROFIT ORGANIZATION

CPA Western School of Business (CPAWSB) is responsible for delivering pre-certification education to students in the four western provinces and the territories, in accordance with an agreement signed by the CPA bodies in Alberta, British Columbia, Saskatchewan, and Manitoba and CPAWSB effective September 29, 2015. Effective June 1, 2018, the western CPA provincial bodies approved changes relating to the governance structure of CPAWSB. The new Board of Directors of CPAWSB is comprised of the CEOs from the four western provinces. CPAWSB and the four western provinces signed an operating agreement effective April 1, 2019 whereby CPAWSB acts as an independent agent collecting revenue and incurring costs on behalf of the western provinces for delivery of the CPA Education Program.

On October 3, 2022 CPAWSB restructured its operations, became a new entity incorporated as a not-for-profit society. As a newly incorporated not-for-profit organization, the new CPAWSB purchased the net assets and assumed all existing contracts, including the operating agreement referred to above, from the previous organization. Thus, there is no change to the agency relationship with CPABC.

CPABC recognized \$21,033 (2023 - \$21,117) student annual dues and module fees as revenue of which of \$13,553 (2023 - \$13,624) was collected by CPAWSB on behalf of CPABC during the year and \$7,480 (2023 - \$7,493) was collected in the prior year. As at March 31, 2024, CPABC recorded \$8,016 (2023 - \$7,480) (note 9) as deferred revenue with a corresponding amount in accounts receivable, pertaining to student programs to be delivered on or after April 1, 2024.

Student annual dues and module fees deferred revenue	2024	2023
Opening balance	\$ 7,480	\$ 7,493
Collected during the year	21,569	21,104
Student annual dues and module fees recognized during the year	(21,033)	(21,117)
Closing balance	\$ 8,016	\$ 7,480

Education program costs of \$38,582 (2023 - \$41,724) were incurred by CPAWSB on behalf of the western provinces, of which \$18,956 (2023 - \$20,490) were allocated to CPABC.

At March 31, 2024, \$9,769 (2023 - \$7,430) was owing from CPAWSB.

Chartered Professional Accountants of British Columbia

Notes to Financial Statements

For the year ended March 31, 2024

All in \$000's

16. CONTROLLED ENTITIES

All of the entities noted below are controlled by CPABC as it appoints the members, directors and trustees that govern each entity. The accounts of the controlled entities noted below have not been consolidated in CPABC's financial statements, as the bylaws and trust agreements of these entities specify that the entities' assets are to be used for specific purposes only, and are not available to CPABC even in the event of the entities' dissolution. It is believed that a separate note disclosure provides a more meaningful presentation of activities.

The transactions described below are measured at the exchange amount, being the amount of consideration, established and agreed to by the related parties. The summary financial statements of each entity have been provided.

- a) The **Chartered Professional Accountants' Education Foundation of British Columbia (CPAEF)** is a registered charity under the Income Tax Act. The CPAEF's mandate is to enhance the quality and quantity of students entering the CPA profession, sponsor relevant and practical research, and stimulate the ongoing educational experience of CPABC's members. CPAEF elects its board members from candidates recommended by CPABC.

At March 31, 2024, a net amount of \$18 was owing to CPAEF (2023 – \$13).

- b) The **Benevolent Fund of the Chartered Professional Accountants of British Columbia (Benevolent Fund)** is a registered charity under the Income Tax Act. It was established to provide financial assistance to CPABC's members who are experiencing unusual financial hardships.

At March 31, 2024, an amount of \$10 was owing to the Benevolent Fund (2023 - \$14).

CPABC provides administrative and support services for the above entities without charge.

Summarized Financial Information

	CPAEF		Benevolent Fund	
	2024	2023	2024	2023
Financial position				
Total assets	\$ 7,203	\$ 6,713	\$ 631	\$ 630
Total liabilities	22	22	8	7
Net assets	\$ 7,181	\$ 6,691	\$ 623	\$ 623
Results of operations				
Investment income earned during the year	\$ 717	\$ 108	\$ 58	\$ 7
Donations	51	2,893	27	27
Total revenue	\$ 768	\$ 3,001	\$ 85	\$ 34
Education funding, benevolence and expenses	\$ 278	\$ 234	\$ 84	\$ 37
Excess (deficiency) of revenues over expenses	\$ 490	\$ 2,767	\$ 1	\$ (3)
Cash Flows				
Operating	\$ 6	\$ 2,861	\$ 7	\$ (7)
Net investments acquired	(212)	(2,623)	-	-
Net (decrease) increase in cash	\$ (206)	\$ 238	\$ 7	\$ (7)

17. FINANCIAL INSTRUMENTS

CPABC's financial instruments consist of cash, accounts receivable, investments, and accounts payable and accrued liabilities.

Interest Rate Risk

CPABC mitigates the risk and volatility of the fair value of its fixed income investments caused by market interest rate fluctuations by investing in instruments with varying terms and maturity dates.

Currency Risk

CPABC mitigates the currency risk of its foreign bonds and equities by limiting its currency exposure and investing mostly in Canadian securities. The Canadian portion of the portfolio was 61% at March 31, 2024 (2023 – 59%).

Credit and Other Price Risk

CPABC has an investment policy that restricts the types and amounts of its eligible investments and requires dealing with highly rated counterparties. Risk and volatility of investment returns are mitigated through the diversification of investments within the pooled funds.

18. ALLOCATION OF OVERHEAD COSTS

Expenses directly related to a functional area are charged to that area, including salaries and benefits, contractor costs and all other expenses. Overhead costs have been allocated to the various functional areas on the basis of estimated usage as follows:

- Expenses related to premises, including rent, maintenance and amortization – proportionately based on the office space used;
- Expenses related to general administration, including insurance, telephone and supplies – proportionately based on the number of staff; and
- Expenses related to information technology, including computer equipment and connectivity – proportionately based on the number of staff.

The overhead costs allocated per functional areas are as follows:

	2024	2023
Regulatory Affairs:		
Public practice registration and review	\$ 405	\$ 431
All other regulatory affairs	587	709
Administration support	792	790
Information technology	702	631
Professional development	539	565
Member services and engagement	520	387
Student recruitment and employer relations	505	397
External affairs and communications	459	412
Practical experience program	379	377
Governance and executive office	122	170
	\$ 5,010	\$ 4,869








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