



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
ONTARIO

ANNUAL REPORT 2015

We are

business leaders.
strategic thinkers.
effective policymakers.
dynamic entrepreneurs.
financial experts.
strong advocates.
trusted advisors.

We are Ontario CPAs.

CPA ONTARIO AT A GLANCE

83,738 members

21,855 students working toward their designation

3,367 graduates from three legacy convocations

2,200 CPA mentors

6,400 practising offices

24,000 PD program and chapter/district event registrations

50,000 prospective students reached through recruitment activities

1,106 practice inspections to uphold professional standards

4,562 active public accounting licences

6,000 advisory sessions in support of member excellence

JOIN THE PROS.



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Message from the Chair



At CPA Ontario governance tables this year, new colleagues gathered for new conversations. Navigating unknown territory is seldom easy—but the integration process has been defined by a palpable sense of opportunity. It has unlocked ideas and sparked ambition.

The CPA Ontario Council was integrated in July 2014 with representation from all three legacy bodies. The unified Council's first key task was to build a solid governance foundation for CPA Ontario by defining its own role and establishing oversight mechanisms for the new President and CEO.

As we have taken those steps and others—former competitors now pursuing shared success—Council has steadily grown stronger and more cohesive. Not only have those entrusted with the governance of CPA Ontario risen to the challenge of unification, their diverse backgrounds and perspectives have expanded the scope of discussions about our profession's future. I extend my gratitude to my fellow Council members, who have worked so effectively to facilitate collaboration and communication across legacy bodies amid the complexities of integration.

Integrating three distinct organizations is an enormous undertaking. From an operational perspective, CPA Ontario's progress over the past year has been impressive. A small sampling of the results of employees' hard work is captured in this annual report. At every stage, CPA Ontario's goal has been to ensure that the benefits of unification are made manifest as quickly as possible—to the public, to students, to employers, to firms, to other CPA organizations, and, above all, to our members.

In a time of great change for CPA Ontario, two unwavering principles remain. One is our commitment to protecting the public with rigorous regulatory oversight and professional standards enforcement. The second is our dedication to building a dynamic future for our profession by nurturing our vital partnerships with Ontario post-secondary institutions and by attracting outstanding new entrants to the profession.

CPA Ontario works hard to attract excellent candidates: we connect with high school students and students on post-secondary campuses; reach out to Internationally Educated Professionals; guide and support those in the workforce in the midst of their CPA education process; and engage and mentor new CPAs as they pursue the exciting opportunities that are open to them through the CPA designation. The return on these investments is evident in the extremely high quality of the graduates who enter our profession each year.

My own career in our profession has certainly yielded remarkable opportunities. Among the most satisfying of these has been the chance to serve as Chair of CPA Ontario as it embarks on this exciting new era of success.

This is an important time for all CPAs, to be part of the transformative chapter in our profession's history. We look forward to working with CPA Canada and our provincial counterparts in realizing the full benefits of unification and in firmly establishing the Canadian CPA designation as the pre-eminent, globally respected business and accounting designation.

A handwritten signature in black ink that reads "Michael Banks". The signature is written in a cursive, flowing style.

Michael Banks, FCPA, FCA
Chair

Message from the President & CEO



The past year at CPA Ontario has been defined by challenge and change. It has also been a year that has made us stronger—a year in which we can take great pride.

In 2014, we moved decisively toward the goal we set together: a unified CPA Ontario positioned for success in the 21st century.

Today, for the first time, CPA Ontario stands as a single organization of accomplished business and accounting professionals, nearly 84,000 strong.

The number 84,000 is notable not only for its size, but for the diversity it represents. Members of CPA Ontario bring a rich array of backgrounds and skills to our profession. We lead and innovate in industries around the world. We are entrepreneurs and consultants, practitioners and CEOs, academics and political leaders.

We are also growing: in the next few years, most of the almost 22,000 students now pursuing the CPA designation will add their talents and energy to our profession, linking their own careers to a proud tradition and a world of opportunity. These new CPAs will join our established members and CPA Ontario in helping the profession chart its course and fulfil its enormous potential.

Members of CPA Ontario tell us their top priority for their professional organization is that it continue to uphold the highest standards of ethics and integrity. Our organization shares their steadfast commitment to maintaining the public trust.

Second, members want CPA Ontario to foster a strong future for the profession. They tell us they want CPA Ontario to continue to attract outstanding students; build their capabilities

and expertise through rigorous training and certification programs; and fuel CPAs' career growth with mentorships, networking and professional development opportunities.

Third, CPA Ontario members tell us they want their newly unified organization to be a more active thought leader: to promote the well-being of our economy and society by sharing informed insights and perspectives with policymakers and the public.

CPA Ontario is energetically advancing each of these priorities. As ever, we continue to support the success of our members and their companies, and to advocate for the interests of our entire profession.

During the past year, we have made enormous strides toward the integration of three distinct professional organizations, each with a rich history of achievement and a proud culture of its own. Such an ambitious integration program was bound to present challenges, and indeed it has. The CPA Ontario team has responded with dedication and professionalism, persevering to build a new organization with one culture and one shared vision of success. I have been proud to work alongside colleagues—volunteers and employees alike—who have devoted themselves so wholeheartedly to laying a strong foundation for this professional body.

Together, we will continue to work for the success of our members who have committed to this important change, for students who have chosen to join their careers with ours, and for the good of our profession and our province.

We are building a professional organization that is more engaged and influential than ever before. We are building a CPA Ontario to be proud of—this year and for many years to come.

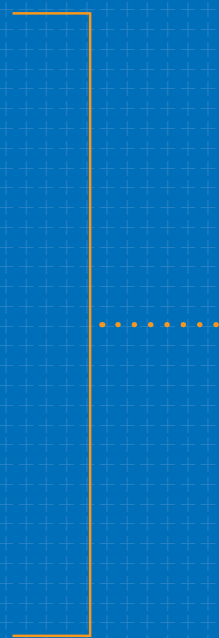
A handwritten signature in black ink that reads 'Carol Wilding'. The signature is fluid and cursive, with a large loop at the end of the last name.

Carol Wilding, FCPA, FCA
President & CEO

There are nearly 84,000 Ontario
CPA stories unfolding today.

Each one is part of a larger story:
the story of our profession.

We are Ontario CPAs.





6:50am



TORONTO

Glenn Morgan, CPA, CMA, Program Support, City of Toronto, prepares for his budget meeting with the City Manager.



9:12am



CONCORD

Debbie Stephenson, CPA, CGA, Director, Financial Controls & Policies, Toys“R”Us, works with the finance managers to ensure new policies are rolled out to all staff.



10:43am



TORONTO

Tina Wang, CPA, CMA, Senior Accountant, MaRS Discovery District, prepares and distributes monthly financial packages for all MaRS programs, such as Cleantech, ICT, Life Sciences and Healthcare Venture Services, MaRS Solutions Lab and Advanced Energy Centre.



11:10am



TORONTO

Tomas Romita, CPA, CA, Founder and CEO, MADE Custom Menswear, works with fashion consultants to design a new strategic plan.



12:30pm



NEW YORK CITY

Colleen Johnston, FCPA, FCA, Group Head, Finance, Sourcing and Corporate Communications, and Chief Financial Officer, TD Bank Group, wraps up a meeting with investors.



2:13pm



SHENZHEN

Timothy Fung, CPA, CMA, Executive VP, Genesis Health Light Corporation, meets with an international distributor to discuss supply chain management.



4:21pm



VANCOUVER

Sally Nikkhah, CPA, CGA, Senior Internal Auditor, Shoppers Drug Mart, travels across Canada to conduct internal audits of stores, including in her favourite city, Vancouver.



7:05pm



LONDON

Ryan Couvrette, CPA, CA, Partner, Audit & Assurance, PwC, boards a flight to Toronto following a client meeting in London.



10:10pm



TORONTO

Sharon Barnes-Simmonds, CPA, CGA, Director, Accounting, Toronto International Film Festival, enjoys one of the pre-screenings for the Festival.

Members

We are



fuelling each other's success.

CPA Ontario adds value to the professional lives of its members through advisory services, professional development programs, networking opportunities, and member benefits. The new, integrated CPA Ontario will deliver more in each of these areas: more depth and breadth of programming, offered in more locations and through more channels; more opportunities to connect with fellow professionals; and more concrete benefits.

PROFESSIONAL DEVELOPMENT

This year, CPA Ontario achieved:

- // 24,000 PD program and chapter/district event registrations
- // 287 in-person seminars presented in 35 locations around Ontario—from Windsor to Ottawa, from Kapuskasing to Niagara Falls
- // a new, single portal through which all members can access the full breadth of CPA Ontario's professional development offerings
- // 6 conferences that attracted a total of 1,400 attendees

MEMBER SERVICES AND BENEFITS

This year, CPA Ontario:

- // provided career advice to members and students more than 4,000 times
- // responded to more than 325,000 member, student and public inquiries
- // launched a new member magazine to inform, engage and inspire Ontario's CPAs—delivering information and ideas to key influencers, thought leaders and decision-makers in the worlds of accounting, business and finance
- // continued to deliver a wide range of affinity programs, including CPA Select Insurance Plans and TD Insurance, which provide home and auto insurance to CPAs and their family members

SUPPORT FOR SMALL PRACTICES

Small practices benefit from CPA Ontario's capacity to advise and advocate. The Small Practices Advisory Committee had an active year, which included:

- // ongoing work to help small practices keep pace with developments in accounting and assurance standards
- // a submission to the Accounting Standards Board of Canada outlining concerns about proposed changes to Accounting Standards for Private Enterprises
- // work on tax matters, such as the ability of Ontario practitioners to e-file personal and corporate tax returns in Quebec
- // regulatory work on practice inspection and public accounting licensing

TECHNOLOGICAL RENEWAL

From cutting-edge online learning to major back-end efficiencies, technology will enable CPA Ontario to better deliver a range of programs and services in the years ahead. This year we:

- // commissioned and received a report articulating a strong technology end-state for our organization, and an investment plan for achieving it
- // embarked on a three-year business transformation strategy with a short-term focus on integration mechanics and a longer-term focus on enhancing the member and student experience

HIGHLIGHTS:

24,000

PD program and chapter/district event registrations.

287

We presented 287 in-person seminars in 35 locations around Ontario.

4,000

CPA Ontario provided career advice to members and students more than 4,000 times.

325,000

We responded to more than 325,000 member, student and public inquiries.

IN THE YEAR AHEAD

CPA Ontario will continue to connect CPAs and deliver exceptional professional development opportunities and benefits. As we complete integration of the legacy organizations, CPAs can expect an enhanced member experience online, and in person, with harmonized processes and increased efficiency.

Students

We are



becoming the next generation of Ontario CPAs.

For a profession to thrive over time, it needs two elements: new members, who see opportunity there, and experienced members, who share knowledge, insight, expertise, and a commitment to the profession's standards and ethics. The past year attests to CPA Ontario having both of these in abundance. We continue to energetically foster the future of the profession, as well as link new and experienced members. This year the student recruitment team connected with over 50,000 students.

STUDENT OUTREACH

This year:

- // CPA Ontario participated in more than 820 campus events and more than 450 high school visits
- // more than 650 CPAs from all three legacy bodies volunteered their time to support student recruitment outreach activities at high schools and post-secondary institutions, networking events and conferences
- // 49 post-secondary student ambassadors enthusiastically represented CPA Ontario on campuses across the province
- // CPA Ontario was a Platinum Sponsor of the Ontario Universities Fair, which drew more than 120,000 students, parents and educators
- // CPA Ontario hosted the inaugural CPA Pro Connect events in Toronto and Ottawa, speaking to more than 150 potential students and involving many CPAs in the process
- // more than 1,000 senior-level high school students, teachers and CPAs participated in three No Limits conferences in Ottawa, Toronto and Kitchener-Waterloo

DEMAND FOR THE CPA DESIGNATION

CPA Ontario is currently serving nearly 22,000 students, including 4,300 in the new CPA program. As we welcome new students into the CPA program, we maintain a strong focus on the successful completion of the three legacy programs. All learning paths now lead to the CPA designation.

This year:

- // the three legacy programs graduated 3,367 students, with CPA Ontario hosting an unprecedented three convocations
- // CPA Ontario processed 14,500 transcripts from students seeking to pursue their CPA designation
- // 218 post-secondary students and CPA volunteers attended the fifth annual Chartered for Finance event, hosted by CPA Ontario, which promotes the competitive edge a CPA designation offers in the world of finance



HIGHLIGHTS:

50,000

We spoke to more than 50,000 Ontario prospective students about our profession and the possibilities it offers.

22,000

CPA Ontario is currently serving nearly 22,000 students.

3,367

The three legacy programs graduated 3,367 students.

14,500

CPA Ontario processed 14,500 transcripts from students seeking to pursue their CPA designation.

HIGHLIGHTS:

7,500

We connected with over 7,500 Internationally Educated Professionals (IEPs) and career changers at more than 330 events.

2,200

More than 2,200 experienced CPAs served as mentors to new members.

86

We partnered with 86 agencies serving IEPs.

1,200

CPA Ontario sponsored the 2015 IEP Conference, which attracted 1,200 IEPs.

IN THE YEAR AHEAD

CPA Ontario will continue to work with post-secondary institutions, employers and community agencies to ensure a clear path for outstanding students to enter our profession, whether they are new graduates from post-secondary institutions or Internationally Educated Professionals launching the next phase of their careers in Ontario.

Students (continued)

GROWING THE PROFESSION WITH MORE FLEXIBLE EDUCATION OFFERINGS

CPA Ontario is working to grow our profession by increasing the number of pathways into the CPA designation while maintaining our tradition of rigorous education and examination.

Students who already hold the necessary prerequisites may submit a transcript to CPA Ontario and, if admitted, enter the CPA Professional Education Program (CPA PEP) directly.

Those without a background in accounting subjects may pursue a combination of the CPA Prerequisite Education Program (CPA PREP) and recognized post-secondary courses to ensure that they are adequately prepared to enrol in CPA PEP.

Once admitted into CPA PEP—whether directly or via CPA PREP—all students pursue core courses, electives and capstone projects. Relevant work experience is integral to the program and complements each phase of the process.

After completing all the PEP requirements, students challenge the Common Final Examination (CFE) and, if successful, once their practical experience requirements have been completed, earn their CPA designation.

CONNECTING WITH EMPLOYERS

CPA Ontario held information sessions with more than 45 key employers—ranging from Coca-Cola and RBC to Canadian Tire and the Government of Canada—that may serve as launching points for the careers of new CPAs.

SUPPORTING OUR INTERNATIONALLY EDUCATED PROFESSIONALS AND CAREER CHANGERS

Internationally Educated Professionals (IEPs) are a vital source of talent for Canadian employers. This year, CPA Ontario:

// had contact with over 7,500 prospects at more than 330 events targeting IEPs and career changers

// partnered with more than 86 agencies and associations in Ontario, promoting the CPA designation to IEPs and helping them chart a course for success

// was a Platinum Sponsor and Sector Sponsor of the 2015 IEP Conference, an innovative event that attracted 1,200 IEPs

SUPPORTING NEW CPAs

This year:

// more than 2,200 experienced members served as mentors to CPA students

// the Young CPA Advisory Committee (YCPA) involved members under age 30 who have obtained their designation in the last five years. The Committee provides a mechanism for the voice of our younger members to be heard by the profession, enabling CPA Ontario to gain a better understanding of their needs. Accomplishments include the inaugural Young CPA Leadership Conference, the launch of a new series of networking events for young CPAs, a new social media platform and input on several strategic initiatives

“I decided to pursue the CPA designation because I’m interested in the accounting profession and I appreciate the credibility the designation provides. I’ve always had an interest in public service and the CPA designation opens a lot of doors.”

Taylor Lew // University of Toronto and London School of Economics alumnus // Ontario Legislature Internship Programme participant // Currently working toward his CPA designation

Regulatory

We are



protecting our profession and the public.

CPA Ontario members share a deep commitment to upholding the public's trust. In a recent member survey, the province's CPAs affirmed once again that regulating the profession and upholding the highest professional standards are the most important functions of CPA Ontario. Throughout the unification process, maintaining the rigour and credibility of our regulatory oversight has been a top priority.

OVERSIGHT

CPA Ontario protects the public interest through the enforcement of high standards of qualification and practice. Our Professional Standards team fulfils this role through Practice Inspection and Standards Enforcement.

Practice Inspection conducted 1,106 inspections this year. More than 90% required no further action; approximately 6% were flagged for follow-up inspection; and 10 firms were referred to the Professional Conduct Committee.

Standards Enforcement received 244 new complaints against members, students or firms, the most common complaints being behaviour that failed to maintain the reputation of the profession, and/or failure to comply with applicable practice standards.

Each complaint is closely reviewed by the Professional Conduct Committee, which determines whether to close the file, effectively dismissing the complaint, to provide guidance and advice to the member, or to proceed with a formal hearing.

REGULATORY INTEGRATION

Key activities for the Office of the Registrar this year were focused on integration of regulatory processes and requirements for CPA Ontario, CGA Ontario and CMA Ontario.

In 2014-2015, we registered approximately 2,000 new CPA practices.

CPA Ontario now regulates approximately 6,400 practising offices and more than 800 authorized training offices.

We continue to harmonize processes for student registration, admission to membership, and admission of internationally trained accountants.

ADVISORY SERVICES

Our major area of focus continues to be supporting members in meeting the requirements of accounting and assurance standards, and adhering to bylaws and rules of professional conduct.

Confidential advisory and ethics counselling services are available to members to help them navigate difficult questions with the benefit of professional advisors' insight and experience.

This year, advisors fielded more than 6,000 calls on a wide range of issues, from public practice management to questions from legacy firms in the process of registering their practices with CPA Ontario.

HIGHLIGHTS:

1,106

Practice Inspectors conducted 1,106 inspections this year.

2,000

We registered approximately 2,000 new legacy firms

6,400/800

As regulator, CPA Ontario now oversees approximately 6,400 practising offices and more than 800 authorized training offices.

6,000

This year, advisors fielded more than 6,000 calls on a wide range of issues, from public practice management to questions from legacy firms registering their practices with CPA Ontario.

IN THE YEAR AHEAD

CPA Ontario will continue to support members in maintaining the highest standards of ethics and integrity as they navigate changes in their business environments and participate in a newly unified professional body. CPA Ontario will continue to be an important contributor to CPA Canada committees and working groups, collaborating to protect the public interest and support the health of our profession.

Community

We are



contributing where we live and work.

Ontario's CPAs have a proud tradition of contributing to their communities, both individually and as a profession. This year, once again, CPA Ontario and its members have demonstrated a strong commitment to helping the province's students, residents and communities thrive.

TAX SUPPORT FOR PEOPLE IN NEED

CPA Ontario's Tax Preparation Assistance Program is a much-valued annual initiative, offering tax support to people in need.

This year:

// 2,400 CPAs volunteered time during their busiest professional season

// nearly 25,000 tax returns were prepared, many resulting in much-needed refunds

// 330 community service organizations partnered with CPA Ontario to facilitate broad access to the program

// many MPPs participated in this program or connected constituents with CPA Ontario volunteers

INSPIRING STUDENT SUCCESS

CPA Ontario offers students opportunities to challenge themselves while connecting with peers and learning about career options.

This year:

// CPA Ontario sponsored the DECA Provincials, an international program for high school business students who competed in a range of business challenges

// 300 high school students competed in CPA Ontario's annual COIN Competition, an accounting challenge

// 70 delegates and 20 faculty coaches participated in CPA Ontario's fifth annual College Case Competition

FUTURE LEADERS

CPA Ontario continues to sponsor the Ontario Legislature Internship Programme, which links CPA Ontario to some of the province's most promising young leaders, many of whom go on to senior roles in government and other professional organizations.

CONNECTING CPA VOLUNTEERS

Individual CPAs have always been generous in contributing time and expertise to their communities. This year, once again, CPA Ontario has been proud to facilitate members' volunteerism and community giving with our online service, Find a CPA Volunteer. The service enables charitable organizations to post volunteer roles for which CPAs would be an ideal fit, such as treasurers, board chairs and committee leaders. Each year, CPAs from across Ontario and at all career stages—from new graduates to retired members—answer these calls for support.

DID YOU KNOW?

Five Ontario CPAs stood as candidates in the 2014 provincial election:

Liang Chen, FCPA, FCGA, David Porter, CPA, CA, John Vail, CPA, CMA, and Tracey Weiler, CPA, CMA. As well, Harinder Takhar, FCPA, FCMA, ran and was re-elected as MPP for Mississauga-Erindale.



HIGHLIGHTS:

5,000

CPA Ontario sponsored the DECA Provincials, an international program for more than 5,000 high school business students who competed in a range of business challenges.

2,400

2,400 CPAs volunteered time during their busiest professional season.

25,000

CPA Ontario volunteers prepared nearly 25,000 tax returns for Ontarians in need in our communities.

330

CPA Ontario partnered with 330 community service organizations to facilitate broad access to the tax support program.

IN THE YEAR AHEAD

CPA Ontario and its members will continue to share skills and knowledge for the benefit of Ontario's communities—now with greater impact than ever, as one unified profession. We will also continue to engage the province's most dynamic students, spreading awareness of the CPA designation among young leaders.

Reputation

We are



building a stronger Ontario.

The expertise of accounting professionals in Ontario has always been a critical asset to our profession and clients. CPA Ontario is working to become a stronger thought leader and influencer, amplifying the voice of our profession for the good of our economy and society.

REPUTATION AND INFLUENCE

Each of our three legacy bodies had a strong reputation and a record of active engagement with partner organizations, public sector leaders, and the business community. This year we have maintained and built upon these reputations and relationships as we promoted the CPA Ontario banner.

CPA Ontario was a premium partner of the Ontario Chamber of Commerce (OCC), participating in its 2014 Economic Summit.

We continued to support public policy development through our participation at the OCC's Ontario Business Advisory Council. This Advisory Council enables informal dialogue with high-profile senior political leaders.

As part of the Economic Club of Canada and Toronto Region Board of Trade sponsorships, CPA Ontario participated in many high-profile events during the past year, featuring such speakers as Premier Kathleen Wynne, Ontario Finance Minister Charles Sousa, federal Finance Minister Joe Oliver and Ryerson University President and Vice Chancellor Sheldon Levy.

Another key partnership is CPA Ontario's sponsorship of TVO's *The Agenda* with Steve Paikin, a program that reaches a highly influential audience of Ontario policymakers and opinion leaders.

CPA Ontario continued to play a leadership role in the ongoing national CPA branding initiative. This year's advertising campaign to raise member "PROfiles" reached a potential audience of 1.6 million Ontarians daily. CPA

has made significant strides building brand awareness among our target business audience, now at 77% aided awareness level.

SHARING CPA INSIGHT AND EXPERTISE

CPA Ontario shared financial tips through targeted news releases, tax tip sheets, and an online video. These efforts gained traction in print, in broadcast media, and online. One media relations program, which distributes news pieces that feature our members and promote the expertise of the profession, garnered a total reach of over 9.1 million.

GOVERNMENT RELATIONS

CPA Ontario hosted pre-election briefings with all provincial parties and key public service representatives on the goals and status of our unification process.

We also worked with Attorney General Madeleine Meilleur toward legislation, the final step in unification of the accounting profession in Ontario.

We anticipate introduction of the new Chartered Professional Accountants Act in the fall of 2015.

POST-SECONDARY PARTNERSHIPS

CPA Ontario has strategic partnerships with a number of Ontario post-secondary institutions. These help ensure a flow of top-quality graduates into the CPA profession, and the continued excellence of CPA education.

We have worked with our Ontario college and university partners to develop pathways to the CPA designation for students.

HIGHLIGHTS:

7,000

As part of the Ontario Chamber of Commerce, Economic Club of Canada and Toronto Region Board of Trade sponsorships, CPA Ontario participated in high-profile events attended by over 7,000 business leaders.

1.6 million

This year's "Raising the PROfile" campaign reached a potential audience of 1.6 million Ontarians

3.35 million

CPA Ontario sponsored TVO's The Agenda with Steve Paikin, which had a total reach of 3.35 million this past broadcast year.

9.1 million

Our media relations program, featuring the expertise of our members, reached over 9.1 million people.

IN THE YEAR AHEAD

CPA Ontario will seek out new forums and relationships in order to share the perspectives of Ontario's accounting and business experts more widely. Our members have named increased thought leadership and advocacy as priorities for their professional body. To this end, we are connecting with leaders, building and promoting the CPA Ontario brand, and making thoughtful contributions to the conversations that matter most.

Volunteer Leadership

Thanks to Committee Volunteers. The generous efforts of CPA Ontario's many volunteers benefit all members, CPA students, the profession and the public. We extend our sincere thanks to the many committee volunteers who gave of their time and expertise during the 2014-2015 year, including members of the following committees:

STANDING COMMITTEES OF COUNCIL

Audit Committee

Cathy Russell, CPA, CA (Chair)

Finance Committee

Johanne Charbonneau, FCPA, FCGA (Chair)

Governance and Nominating Committee

Alan Mak, CPA, CA (Chair)

Integration Resources Committee

John Hsu, FCPA, FCMA (Chair)

Management Advisory Committee

Michael Banks, FCPA, FCA (Chair)

REGULATORY COMMITTEES

Appeal Committee

Board of Evaluators

Discipline Committee

Membership Committee

Practice Inspection Committee

Professional Conduct Committee

Public Accounting Licensing Board

ADVISORY COMMITTEES

Small Practices Advisory Committee

Young CPA Advisory Committee

CPA ONTARIO COUNCIL AND PRESIDENT & CEO



Back row, left to right: Michel Lavigne, FCPA, FCA, John Hsu, FCPA, FCMA, Nigel White, FCPA, FCMA, Dave Vert, CPA, CA, Ronald Harvey, FCPA, FCGA, Tim Kennish (Public Representative), Edward Carter, FCPA, FCGA. Front row, left to right: Georgina Daniels, FCPA, FCA, Delna Madon, CPA, CA, Stephen McCaughey, CPA, CMA, Ginny Dybenko (Public Representative), Johanne Charbonneau, FCPA, FCGA (Treasurer), Michael Banks, FCPA, FCA (Chair), Susan Moellers, FCPA, FCMA (Vice-Chair), Carol Wilding, FCPA, FCA (President & CEO), Alan Mak, CPA, CA (Secretary), Debra Taylor, FCPA, FCGA, Anita Ferrari, FCPA, FCA, Cathy Russell, CPA, CA. Not present: Graham Parsons, Robert Wong (Public Representatives).



CPA

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PROFESSIONAL
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ONTARIO

FINANCIAL STATEMENTS

July 2, 2014 to March 31, 2015

Management Discussion & Analysis

Fiscal 2015 marks CPA Ontario's first unified fiscal year. The financial statements reflect the unified operations of CGA Ontario, CMA Ontario and CPA Ontario for the nine months from July 2, 2014—the effective date of a fully unified CPA Ontario—to March 31, 2015, the end of the fiscal year.

We have risen to the challenge of integrating three distinct organizations and have begun to realize the benefits of unification for our members and stakeholders. From an operational perspective, our progress over the past year has been impressive.

FINANCIAL POSITION

At the end of fiscal 2015 the organization had a net asset balance of \$49.3 million. All long-term debt was repaid in January 2015 and working capital level is at a strong \$34.6 million. The vast majority of assets, with the exception of real estate assets, are in liquid investments. CPA Ontario maintains a strong balance sheet as we enter our second year of unification.

RESULTS FROM OPERATIONS

Our total revenue of \$88.4 million in fiscal 2015 was derived from three main sources: education programs, member dues and professional development.

Education programs. Two factors converged to produce higher than anticipated education revenues this year. First, student enrolments in legacy CA, CGA and CMA programs exceeded projections. Demand for legacy programs, in particular the CGA program, peaked in 2015.

While meeting this strong demand for the legacy programs, CPA Ontario launched the new CPA Prerequisite Education Program (PREP) and Professional Education Program (PEP), with enrolment continuing to build in each program. Education program revenue totalled \$46.5 million, of which \$40.0 million (86%) was generated from legacy programs.

Revenue from the new PREP and PEP programs totalled \$6.5 million, representing 14% of fiscal 2015 education revenue.

Member dues. CPA Ontario collected \$30.3 million in dues from our members in fiscal 2015. Member dues enable CPA Ontario to fulfil our regulatory function with excellence: carrying out practice inspections, responding to complaints from members of the public, working with the Public Accountants Council, and generally upholding the standards and protecting the reputation of the accounting profession in Ontario.

In addition to our regulatory role, CPA Ontario delivers a wide range of member services, from confidential ethics counselling and career development support to networking opportunities and affinity programs. During this period of integration, member dues have also enabled CPA Ontario to invest in improvements—in particular, technological renewal—that will support outstanding member experience and programming in the years ahead.

Professional Development (PD) programs.

This year CPA Ontario continued to help our members enhance their career and professional growth through seminars, conferences and webinars on topics ranging from assurance to taxation to strategy and governance. In all, we had 24,000 registrations in PD program and chapter/district events, which generated revenue of \$7.6 million in fiscal 2015.

EXPENDITURES

Two categories of expenditure characterized fiscal 2015: costs associated with integration, and costs associated with normal CPA Ontario operations.

Upfront investments for the sake of future efficiencies are part of the integration story. During fiscal 2015, one-time integration-related expenditures totalled \$13.9 million, with the most significant elements being severance costs of \$7.9 million, as well as information technology and consulting services that have been incurred to integrate and optimize operations. These investments will enable CPA Ontario to enhance the member and student experience.

Expenditures for fiscal 2015, excluding one-time integration costs, totalled \$69.7 million. This figure includes spending on regulatory work, the delivery of education and

professional development programs, member counselling and support services, and the promotion of our profession to students, employers, government and the public.

Overall, fiscal 2015 resulted in a net operating surplus of \$18.7 million prior to integration-related costs. Net surplus after integration expenditures of \$13.9 million was a healthy \$4.8 million for fiscal 2015.

We anticipate that integration costs will diminish in the next two years, as integration activity (such as technology renewal and education program integration) concludes. We anticipate savings from operational efficiencies resulting from these upfront integration costs will further improve CPA Ontario's financial position.

Report of the Independent Auditor on the 2015 Summarized Financial Statements

To the Members of Chartered Professional Accountants of Ontario

The accompanying summarized financial statements, which comprise the summarized statement of financial position as at March 31, 2015, the summarized statement of operations, the summarized statement of changes in net assets and the summarized statement of cash flows for the period from July 2, 2014 to March 31, 2015, and the related notes, are derived from the complete audited financial statements of Chartered Professional Accountants of Ontario for the same period. We expressed an unmodified audit opinion on those financial statements in our report dated June 24, 2015.

The summarized financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summarized financial statements, therefore, is not a substitute for reading the complete audited financial statements of Chartered Professional Accountants of Ontario.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARIZED FINANCIAL STATEMENTS

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1 to the summarized financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

OPINION

In our opinion, the summarized financial statements derived from the complete audited financial statements of Chartered Professional Accountants of Ontario for the period from July 2, 2014 to March 31, 2015 are a fair summary of those financial statements, on the basis described in Note 1 to the summarized financial statements.



Chartered Professional Accountants,
Licensed Public Accountants

Ottawa, Ontario
June 24, 2015

Summarized statement of financial position

As at March 31, 2015
(in thousands of dollars)

ASSETS	
Cash and cash equivalents	\$ 13,470
Investments and other current assets	52,946
Long-term and restricted investments	6,358
Capital assets	12,357
	\$ 85,131
LIABILITIES	
Accounts payable and accrued liabilities	\$ 16,610
Deferred revenue and expenditures	16,825
Employee future benefits obligation	2,404
	\$ 35,839
NET ASSETS—unrestricted	49,292
	\$ 85,131

On behalf of Council:



Michael Banks, FCPA, FCA
Chair



Cathy Russell, CPA, CA
Audit Committee Chair

(See accompanying notes.)

Summarized statement of operations

For the period from July 2, 2014 to March 31, 2015

(in thousands of dollars)

REVENUES	
Member dues	\$ 30,287
Education	46,543
Professional development	7,603
Professional standards	2,087
Investment and other	1,901
	\$ 88,421
EXPENSES	
Education	\$ 25,309
Operations	18,523
Marketing and communications	6,684
Professional development	7,900
Professional standards	5,549
Registrar	2,637
Student outreach program	3,128
	\$ 69,730
OPERATING SURPLUS BEFORE INTEGRATION	\$ 18,691
Integration	13,910
EXCESS OF REVENUES OVER EXPENSES	\$ 4,781

(See accompanying notes.)

Summarized statement of changes in net assets

For the period from July 2, 2014 to March 31, 2015

(in thousands of dollars)

Balance, beginning of period	\$ 44,846
Excess of revenues over expenses	4,781
Remeasurement gains and losses from pensions and employee future benefits	(335)
Balance, end of period	\$ 49,292

(See accompanying notes.)

Summarized statement of cash flows

For the period from July 2, 2014 to March 31, 2015

(in thousands of dollars)

Operating activities	
Excess of revenues over expenses	\$ 4,781
Items not involving cash	2,268
Changes in non-cash working capital	4,297
Changes in deferred revenue and expenses	(25,374)
Cash flows used for operating activities	(14,028)
Cash flows used for financing activities	(640)
Cash flows from investing activities	15,695
Increase in cash and cash equivalents during the period	1,027
Cash and cash equivalents, beginning of period	12,443
Cash and cash equivalents, end of period	\$ 13,470

(See accompanying notes.)

Notes to the summarized financial statements

For the period ended March 31, 2015

(in thousands of dollars)

1. BASIS OF PREPARATION

These summarized financial statements are derived from the complete annual audited financial statements of Chartered Professional Accountants of Ontario for the period from July 2, 2014 to March 31, 2015, which were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

A copy of the complete audited financial statements is kept on file at Chartered Professional Accountants of Ontario and can be provided upon request.

The set of criteria applied by management in preparing these financial statements is outlined in the paragraph below.

The figures presented in these summarized financial statements agree with or can be recalculated from the figures presented in the complete audited financial statements. Management believes that the summarized financial statements contain the necessary information and are at an appropriate level of aggregation so as not to be misleading to the users.

2. UNIFICATION OF THE PROFESSION

Chartered Professional Accountants of Ontario (“CPA Ontario”) is the registered business name of The Institute of Chartered Accountants of Ontario, which was incorporated under *An Act to Incorporate The Institute of Chartered Accountants of Ontario by the Legislative Assembly of the Province of Ontario* in 1883, and was continued in 1956 under the *Chartered Accountants Act, 1956* and in 2010 via the *Chartered Accountants Act, 2010* (“CPA Ontario (ICAO)”).

On April 1, 2014, CPA Ontario (ICAO) entered into a unification agreement with the Certified Management Accountants of Ontario (“CMA Ontario”) to unify the operations of CPA Ontario (ICAO) and CMA Ontario (“the first unification agreement”), with an effective date of April 1, 2014.

On June 23, 2014, CPA Ontario and the Certified General Accountants Association of Ontario (“CGA Ontario”) entered into a unification agreement to unify the operations of CPA Ontario and CGA Ontario (“the second unification agreement”). The second unification agreement had an effective date of July 2, 2014. Collectively, the unified entities operate under the registered business name of CPA Ontario.

These financial statements reflect the operations of CGA Ontario and CPA Ontario for the period from July 2, 2014 to March 31, 2015.

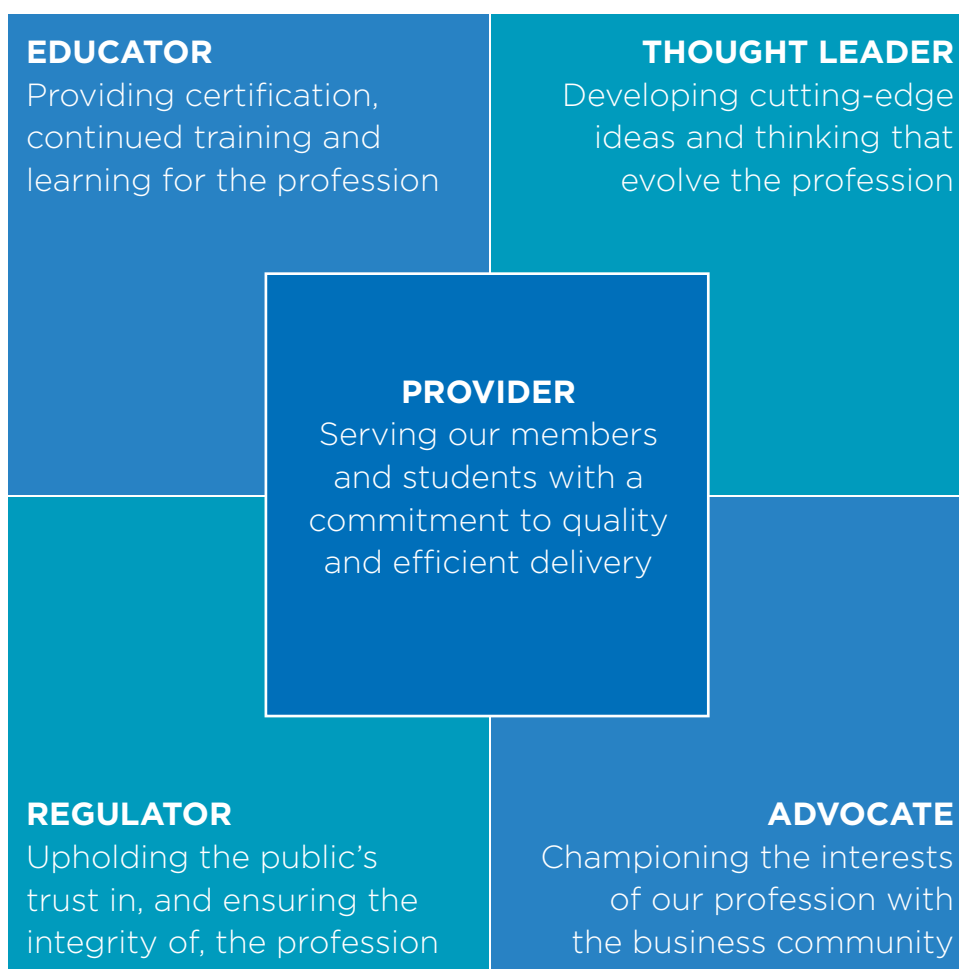
The unification of CPA Ontario and CGA Ontario has been accounted for by combining the carrying amounts of the assets and liabilities as of the second unification date of July 2, 2014. Accounting policies have been harmonized from the date of unification.

As part of the unification process, CPA Ontario took steps to streamline and integrate the services that it provides to its members and students. During the period, integration costs of \$13,910 were incurred to integrate the operations of the legacy entities. This expense includes costs for severances of \$7,935, as well as information technology and consulting services that have been incurred to optimize the services that CPA Ontario provides to its members and students.

About CPA Ontario

CPA Ontario protects the public interest by ensuring its members meet the highest standards of integrity and expertise. CPA Ontario serves and supports its nearly 84,000 members and 22,000 students in their qualification and professional development in a wide range of senior positions in public accounting, business, finance, government, not-for-profits and academe. Chartered Professional Accountants are valued by organizations of all types and sizes for their financial expertise, strategic thinking, business insight, management skills and leadership.

CPA ONTARIO PLAYS MULTIPLE ROLES



**CHARTERED PROFESSIONAL
ACCOUNTANTS OF ONTARIO**

69 Bloor Street East
Toronto, ON M4W 1B3

240 Eglinton Avenue East
Toronto, ON M4P 1K8

25 York Street, Suite 1100
Toronto, ON M5J 2V5

Tel: 416 962.1841
Toll Free: 1 800 387.0735
Fax: 416 962.8900

CPAOntario.ca
goCPAOntario.ca



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