

Partners

Gayle Walton CPA, CA
 Brad Velie CPA, CA
 Rachel van Tamelen CPA, CA
 Robert Hoy CPA, CA

Associates

Brent Gamble CPA, CA
 Ken Burdeyney CPA, CA
 Lynn Haunholter CPA, CGA

Senior Manager

Sean Vreeling CPA
 Peter Clarke CPA, CMA

Manager

Jake Southwick CPA

Accounting Staff

Matthew Mines CPA
 Taryn Hollingshead CPA
 Carter Vreeling
 Jordy Greschner

Administration

Heather Vedress
 Karen Schoettler
 Rachel Epp

Common Posting Errors:

Did you know that loan fees, finance administration fees and auction fees get added to the cost of the land/equipment/asset vs posted to an expense account?

The same applies for legal fees for an asset purchase or freight to haul the equipment home. CRA says these are all considered “costs incurred to acquire the asset” and must be posted to the asset cost and depreciated. They are not an expense!



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COMMUNITY INVOLVEMENT



Gayle Walton, once again, is the coordinator of the Peace River & Area Job Fair this fall. There is still lots of employer booth availability. Call Gayle or email with any questions.
gayle@invisioncpa.com

OFFICE MEMOS

We would like to wish Julie Guerin and her family all the best in their move down south to be closer to family. You will be dearly missed Julie!

Anyone who wants our newsletter via email vs mail, send an email to admin@invisioncpa.com. Provide your current email address(es) and let us know your preference:

- Email only
- Mail only
- BOTH email and mail



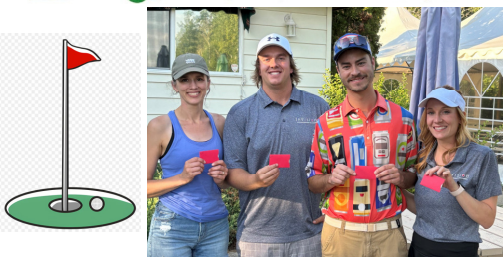
Need access to our past newsletters? Scan this QR code

Farewell to our two summer students, Ben Hill and Sebastian Gagne. Thank you so much for all your hard work this summer and we wish you all the best starting your new school year.



We proudly support, employ and train CPA students. We welcome Peace Region university accounting students to our firm each summer! Many times it leads them back to our firm’s preapproved CPA training program and full-time employment with us.

We have helped many students obtain their professional CPA designation after university. In fact we counted and we proudly profess that our firm has graduated 20 CPA’s since it started in 1970! We salute current and past CPA’s in our firm who take on this training role, giving time and patience to do our part in Peace Region CPA education.



Our annual InVision Golf Tourney was held at the Heart River Golf Course and, as always, it was a beautiful day for a round of golf...the most honest team: Cohen Gamble, Jeff Schoettler, Brent Gamble and Taryn Hollingshead (Bottom L– R) and the winning team: Rachel van Tamelen, Jacob Alexander, Sean & Larissa Vreeling (Top L - R).



CPP on Wages for Employees Between Ages 65 and 70

*Are you between the age of 65 and 70 and taking wages/bonuses from your company?
Does your company employ anyone between the age of 65 and 70?*



For employee's aged 65 to 70, it's the employee's choice whether to have CPP deducted from their wage in certain situations. An employee can elect to stop contributing to the CPP if:

- the employee is at least 65 years of age, but under 70 and
- the employee is receiving their CPP retirement pension

If both the conditions are met, the employee can file CRA form CPT30 to CRA to elect to not have CPP deducted from their payroll.

Filing a CPT30

The form cannot be back-dated and must be sent to CRA in advance. It is effective the first day of the month following when it is filed to CRA.

Self-employed

For pensioners with wages/bonuses from corporations that they own, it is generally advisable to file this CPT30 election form to save the ever-rising costs of CPP contributions, as you and your corporation are paying both the employer and employee CPP. Continuing to contribute to CPP from age 65 to 70 provides a very small increased CPP benefit at the cost of continuing to pay CPP wage contributions.

Over Age 70

Once an employee is 70 years old, no CPP contributions are to be deducted from salaries and wages paid to these employees.



AgriInvest Deposit Notices



Remember: to watch for your "Deposit Notice" in the mail from AgriInvest. The deadline to make your matchable deposit is 90 days from the date on the deposit notice. So the deposit deadline is different for every farmer, every year as it depends on when AgriInvest processes your application and mails out the deposit notice. The 90 days from the date printed on the deposit notice is a hard and fast deadline.

AgriInvest is relatively unfor-giving if that deadline is missed. However, should you miss the deadline, contact our office immediately. There is an appeal process for extenuating and beyond - your - control circumstances. "I forgot" or "I didn't receive it in the mail" alone are not accepted as extenuating circumstances.



AgriInvest Access Online

Similar to CRA "My Business Account", you can set up online access for your AgriInvest account (my AAFC account). This gives access to:

- View account balances
- View deposit notice
- Check account transactions
- Update contact information
- And more...



Google "sign in my AAFC account" and choose the "sign into agriculture and agri food, Canada online services". Near the bottom of the page, click the "login or sign up to my AAFC account" to set up your account. Have information from your most recent AgriInvest application, prepared by our office, on hand. You can set this up through your online banking (sign in partner), or set up a user ID and password (GC Key). We generally recommend to set up with a user ID and password.



Can you spot the 4 animals in the picture below?



Generally small business corporations can earn up to \$500,000 of net income per year and pay 11% combined federal and provincial corporate tax rate on these profits. But it's not an 11% tax rate slam dunk for all corporations! There are several tax laws in effect to limit or take away the \$500,000 threshold and 11% tax rate. Some are old tax laws, and some are more recent ones.

Associated corporations

Corporations that are associated must share the \$500,000 small business limit. It can be allocated between the associated companies however the owners wish.



There are 7 ways corporations can be associated and several of these ways get quite technical to interpret and understand. Professional advice is a must.

The most common way is when a person owns multiple companies, the companies are associated. Or when the same group of people own multiple companies, the companies are associated.

Association can also occur with cross ownership in companies with your spouse, children, parents or siblings (depends on share percentage ownership).

There is also a deeming provision, where, even if two companies are not associated under the first six rules, they can be deemed associated if they are each associated with the same corporation.

Passive income

Passive income includes:

- ◆ Interest income
- ◆ Stock portfolio income (dividend, foreign income, trust income), less broker management fees
- ◆ Land rental income
- ◆ Commercial building net rental income
- ◆ Residential building net rental income
- ◆ Capital gains on stocks, rented land, rented commercial/residential buildings



If a corporation's net passive income each year is under \$50,000, there is no impact on the \$500,000 small business limit.

Officially termed "adjusted aggregate investment income", this provision was enacted in 2018. For every one dollar over the \$50,000 threshold of passive income earned in a given year, the \$500,000 small business limit is reduced by \$5 in the following year.

Example: if a corporation's passive income is \$75,000 in one year, that's \$25,000 over the \$50,000 threshold allowed. So next year the corporation's \$500,000 small business limit will be reduced by \$125,000 (= \$25,000 overage x 5) down to \$375,000. That means the first \$375,000 of active income is taxed at 11%. Any active income over \$375,000 will be taxed at 23%.



Specified corporate income

In 2016 rules were introduced to essentially disallow the 11% corporate tax rate for companies on net income earned from a corporation owned by their family members. Such income is called "specified corporate income" and carries a tax rate of 23%. It is very far reaching legislation and family members include spouse, children, parents and siblings. (These rules don't apply to associated corporations, because they are already having to share the small business limit.)

Your company will still get the 11% tax rate on all other net income.

Exception: If 90% or more of your company's income is from corporations besides those owned by your family members, then the specified corporate income rules don't apply and your company gets the 11% tax rate on all its income, including the income from these family member companies.

Partnerships

Partnerships made up of one or more partners that are corporations must also share the \$500,000 small business limit between all the partners. The \$500,000 small business limit is allocated to each partner corporation based on the same percentage the partnership income is allocated—it's not a choice.

Prior to 2011, there was a way around this to give each partner company its own \$500,000 small business limit. Tax legislation was enacted in 2011 to prevent this.



Corporations carrying on other business, besides the partnership business, can still use the remaining \$500,000 small business limit (and 11% tax rate). The "other business" must be unrelated to the partnership business and must not use partnership assets.

Taxable capital

If a company or an associated group of companies taxable capital is over \$10 million, the \$500,000 small business limit is reduced for the following year.

Taxable capital is a precise calculation, but generally is based on the company's total assets on its balance sheet (or by adding together, the total assets of all the companies in the associated group). While \$10 million may sound like a lot, your balance sheet may surprise you! Total assets include bank accounts, accounts receivable, equipment, land, stocks, GICs and more.

Recent changes have made the erosion of the \$500,000 small business limit less of an impact for those companies over the \$10 million taxable capital threshold. For example, taxable capital of \$12 million grinds the \$500,000 small business limit down to \$475,000.



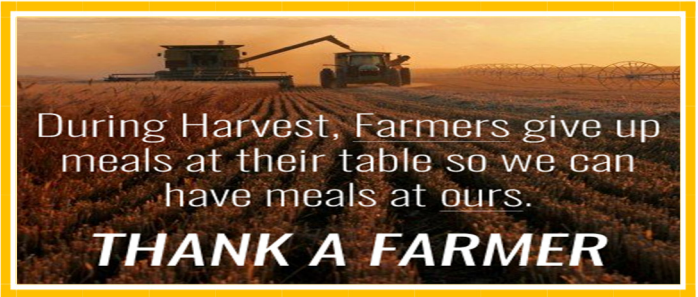
Qualities of a Great Entrepreneur

Thank A Farmer

Keys to a Job Ad



Key Sections to include in a Job Advertisement



- ⇒ Job title
- ⇒ Company Overview
- ⇒ Position Summary
- ⇒ Qualifications and Ideal Candidate
- ⇒ Compensation and Benefits
- ⇒ How to Apply



Qualities of a Great Entrepreneur

While there's no formula for entrepreneurship, here are some great entrepreneur characteristics:

- ◆ **Discipline** - The number one quality of an entrepreneur is self-discipline. You need to do the work - even when you don't feel like it. You will need to do tasks that you may not enjoy—they still need to get done! 
- ◆ **Curiosity** - The best entrepreneurs always want to learn more. They ask many questions and look for opportunities to grow themselves and their business. These people don't dwell on what they think they know. Rather, they change their options when new information is presented.
- ◆ **Creativity** - this is the spark that drives many successful startups. Creativity isn't just for creatives, it's a skill that everyone can cultivate. Entrepreneurs always look for creative ways to solve problems or deliver a service, often with limited resources. 

- ◆ **Honesty & Integrity** - In the business world, you're only as good as your word. Honesty and integrity are important characteristics for any leader.
 - Develop a reputation as a strong and honest communicator.
 - Your employees will respect your leadership.
 - Clients will know you can deliver on your promises.
- ◆ **Have a plan** - Successful businesses look into the future. You should have a 5 - 10 year vision for your company. Set short and long-term business goals that are:
 - Specific: What is the exact outcome you're hoping for?
 - Measurable: How will you know you achieved this outcome?
 - Achievable: Is it reasonable for you to expect to achieve this goal?
- ◆ **Take Risk** - Risk takers often do well as business leaders. But you should be clear on your approach, and have a backup plan ready to go should things go awry. Business owners often need to veer off the beaten path. Entrepreneurs must set aside their fears and take the leap needed to make their vision come to life.



1. What is the heaviest turkey ever recorded?
2. What is the skin that hangs off a turkey's beak called?
3. What year was "A Charlie Brown Thanksgiving" made?
4. Who wanted the turkey to be the national bird?
5. What is a male turkey called?
6. How fast can a turkey run?
7. A "furcula" is what part of the turkey?

Answers

1. 86 pounds
2. A Snood
3. 1973
4. Benjamin Franklin
5. Tom or a gobbler
6. 25mph
7. The Wishbone

