



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
NEWFOUNDLAND
AND LABRADOR

ANNUAL REPORT

2024/2025

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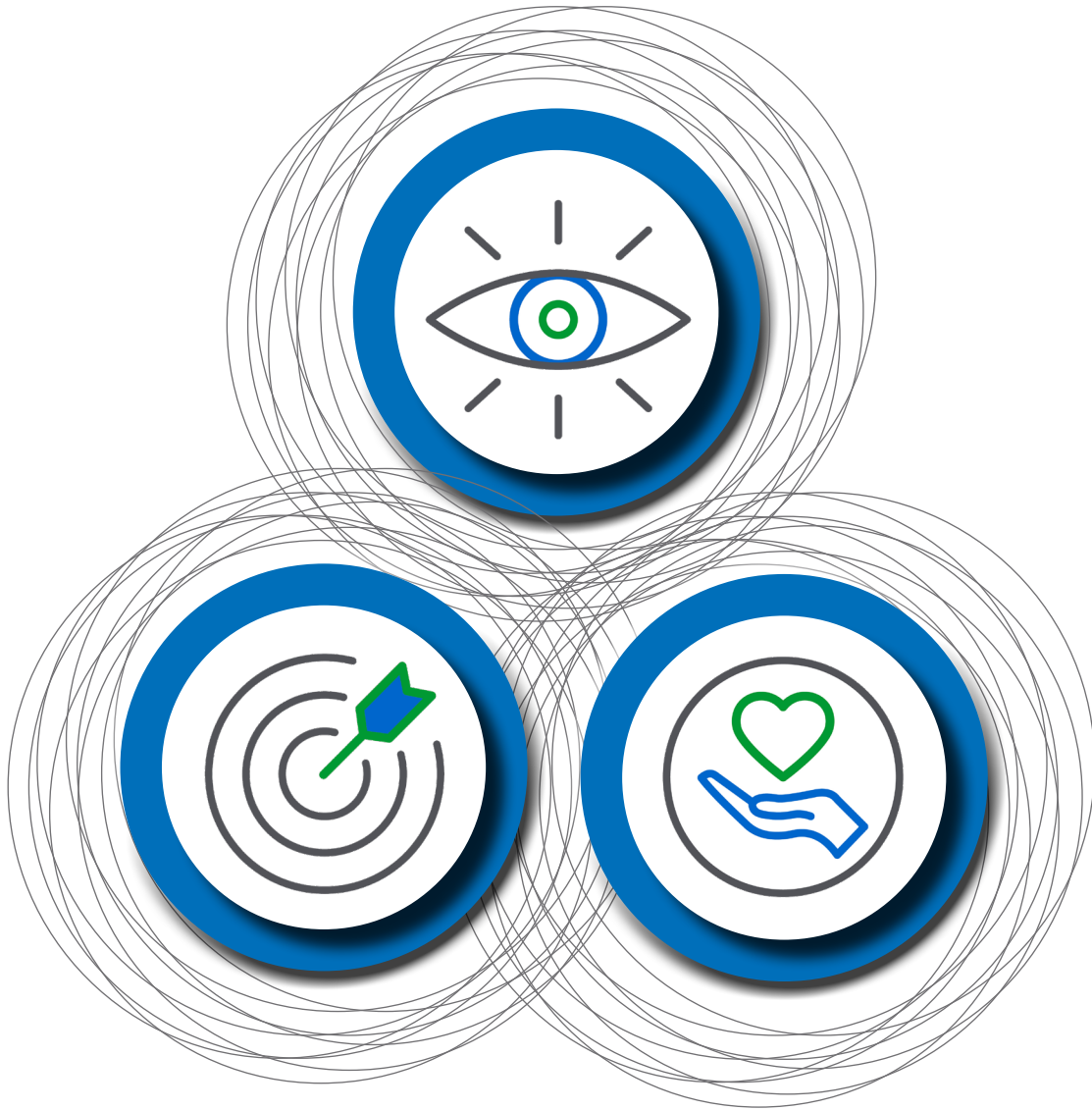
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500 - 95 Bonaventure Avenue
St. John's, NL A1B 2X5

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VISION

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



MISSION

CPA Newfoundland and Labrador enhances the influence, relevance and value of the Canadian CPA profession by protecting the public, supporting its members and students, and contributing to economic and social development.

VALUES

The profession is built on a number of key pillars, including integrity, excellence, trust & respect, accountability and professionalism. As an organization we also strive to maintain these core values in our day to day operations.

Annual Report | 2024-2025

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Message from the Chair & CEO

Dear Members,

We are pleased to present the CPA Newfoundland and Labrador annual report for the year ended March 31st, 2025, highlighting our achievements and continued progress in fulfilling the objects as established in the Chartered Professional Accountants and Public Accountants Act:

- to promote and increase the knowledge, skill, and proficiency of chartered professional accountants and public accountants;
- to protect the integrity of the profession; and
- to serve and protect the public interest in all matters relating to the conduct of chartered professional accountants and public accountants.

Promote and increase the knowledge, skill, and proficiency

This year we welcomed 43 new graduates from the education program and celebrated their success at the annual convocation in June. There are currently over 200 candidates in the professional program and over 100 students enrolled in preparatory courses. We look forward to welcoming them to the profession in the coming years.

During 2024, our members completed over 64,000 verifiable professional development hours and over 5,000 hours in ethics training. CPA Newfoundland and Labrador, together with its CPA provincial partners in Atlantic Canada, provided a suite of over 200 courses, representing a combination of live virtual sessions and on-demand courses delivered via our learning management system. Nearly 400 provincial members participated in our paid professional development program and over 550 members, attended free sessions presented by the profession.

Protect the integrity of the profession

Where appropriate, the profession aims for national consistency of its regulatory processes and to uphold the utmost ethical standards for our profession nationwide. To enable this consistency, the staff at CPA Newfoundland and Labrador are involved in national committees and initiatives in many areas. Throughout the year the provincial regulators have worked together to establish new committees and terms of reference to continue the work that has been ongoing for many years, but in a new and refreshed collaborative structure.

Our continuing professional development requirements ensure our members maintain their professional competencies and keep up-to-date with changes in the profession and its standards. We require our members to complete 120 hours of training in a three-year period, inclusive of at least four hours of verifiable ethics training in the same period.

Protect the public interest

As a self-regulated profession, the association's operations center around the delivery of processes that

serve this objective, inclusive of our practice inspection program, licensing and registrations requirements, monitoring member compliance with professional development and professional liability insurance requirements and ultimately our conduct and discipline processes. Our goal is to establish processes and tools that help our members understand what is expected of them, provide the necessary rules to follow, with the goal that the public and employers are receiving professional services in a positive and ethical manner.

With the presentation of the financial statements for our year ended March 31, 2025, we are pleased to report that the Association continues to have a strong net asset base. This year the Association experienced a surplus which was a result of several factors, the most significant of which include lower than budgeted expenditures on disciplinary matters, increased activity in our professional development program and less retirements than expected, resulting in greater membership fees than budgeted. While the current year resulted in a surplus, it is important to acknowledge that disciplinary costs can vary significantly from year to year. Additionally, there are significant changes underway in the profession which include our national education program and national collaboration. To minimize the effect of these changes on future year operations we have allocated a portion of our accumulated surplus to a strategic initiative fund. We also maintain a restricted fund for conduct and discipline should the costs exceed budget in any given year.

In the coming year, the Association will remain focused on our objects, as outlined in our legislation, while maintaining our focus on operations and service levels to the membership. In the coming year, we will be implementing a new onboarding session for our students and candidates. This is designed to help them better understand the role of the profession in the economic ecosystem, CPANL's role as regulator, and their role in ensuring protection of the public. With the rapid pace of change, we all need to work together to ensure we are protecting the public interest and supporting our economy, the businesses we serve, and the communities in which we live.



CHAIR
Lana Littlejohn, CPA, CMA



CEO
Jason Hillyard, CPA, CGA

2024-25 Board of Directors

Chair



Lana Littlejohn, CPA, CMA

Vice Chair



Lynn Healey, CPA, CA

Secretary/Treasurer



Jennifer Button, CPA, CA

Directors



Tyler Bennett, CPA



Steve Bragg, FCPA, CA



Chris Brake, CPA, CA



Anthony Keeping, CPA, CA



Trevor McCormick, FCPA, FCGA



Matthew Power, CPA



Ashley Power-Stack, CPA, CMA



Troy Stanley, CPA, CA



Colin Sullivan, CPA

Public Representatives



Janet L. Bradshaw
(in-part)



Justin Caines



Craig Ennis



Lisa Lovelady
(in-part)

CPA Newfoundland and Labrador Committees

COMMITTEES OF THE BOARD

DISCIPLINE ADVISORY

Lana Littlejohn, Chair
Jennifer Button
Justin Caines
Lynn Healey
Trevor McCormick

HUMAN RESOURCES

Lana Littlejohn, Chair
Jennifer Button
Craig Ennis
Lynn Healey

MEMBERSHIP & LICENSING

Ashley Power-Stack, Chair
Justin Caines
Anthony Keeping
Lisa Lovelady
Matthew Power
Troy Stanley

COMPLAINTS AUTHORIZATION

Trevor McCormick, Chair
Justin Caines, Vice Chair
Tyler Bennett
Chris Brake
Craig Ennis
Colin Sullivan

BOARD ADVISORY COMMITTEES

AUDIT & INVESTMENT

Jennifer Button, Chair
Craig Ennis
Anthony Keeping
Colin Sullivan

MEMBER RECOGNITION

Jesse DeVilla
Beverley Evans
David Hood
Trevor McCormick
David Pine
Ron Walsh
Peter Winters

GOVERNANCE & NOMINATING

Troy Stanley, Chair
Lynn Healey
Lana Littlejohn
Ashley Power-Stack

MANAGEMENT COMMITTEES

GOVERNMENT RELATIONS

Kehinde Adeoya	Matthew Follett	John Morgan
Jennifer Button	Jacob Greene	Kelsi Mullins
Boyd Chislett	Chris Humby	Phil Sceviour
Susan Cohlmeier	Brad Hollett	Chris Skinner
Peter Collens	Lisa Kilfoy	Troy Stanley
Rexanne Crawford	David Martin	
Austin Duff	Nicole Miller	

OFFICE PRACTICE INSPECTION

Byron Smith, Chair
Deanne Babstock-Moret
Leonard Harvey
Katie Hoskins
Dorothy Keating
Monica Martin
Andrea White

OTHER

DISCIPLINARY PANEL

Keith Abbott	Kelsie Montgomery
Sharon Dunn	Douglas Munn
Sharon Forsey	Philip Quinlan
Curtis Gagne	Greg Roberts
Gail Hamilton	Brenda Rose
Glenn Mifflin	Cheryl Whitten

Public Representatives

Elyse Bruce
David Eaton, K.C.
Brian Peach
Jaqueline Penney, K.C.

Representatives on National Boards & Committees

CONTINUING PROFESSIONAL DEVELOPMENT STANDING COMMITTEE

Kim Mayo

COUNCIL OF CHAIRS

Lynn Healey

Lana Littlejohn

COUNCIL OF CHIEF EXECUTIVES

Jason Hillyard

NATIONAL CONDUCT AND DISCIPLINE STANDING COMMITTEE

Kathryn Mercer-Oliver

MEMBER ADVISORY SERVICES GROUP

Kim Mayo

PRACTICE INSPECTION PROGRAM STANDING COMMITTEE

Kim Mayo

PROFESSIONAL LEARNING AND DEVELOPMENT PROGRAMS COMMITTEE

Nancy Ollerhead

REGISTRATION TASK FORCE

Kathryn Mercer-Oliver

Representatives on Regional Boards & Committees

ATLANTIC REGIONAL FORUM

Lynn Healey

Jason Hillyard

Lana Littlejohn

ATLANTIC SCHOOL OF BUSINESS

Pauline Downer, Director

Jason Hillyard, Director

Welcome to New Members

BY EXAMINATION

Sarosh Abbasi
Waqas Ahmed
Janelle Anstey
Holly Aylward
Thai Binh Bach
Shannon Ball
Wei Chen
Matthew Clarke
Sarah Dormody
Kelsey Goobie

Monica Griffin
Stephanie Hartley
William Hibbs
Stephen Howell
Stephen Janes
Brian Johansen
Safwan Khan
Monica King
Nathan King
Jessica MacDonald

Kimberly Martin
Zachary Morgan
Chloe Munden
Ryley Myles
Erica O'Brien
Daniel Okoro-Igwe
Curtis Parrell
Andrew Pollard
Norma-Lee Pope
Joshua Raymond

Joshua Rowe
Sheldon Ryan
Desmond Saisitthidej
Muhammad Shamsi
Hayley Whiteway
Jonathan Williams
Brandon Yetman
Zhenou Zhang

TRANSFER IN/AFFILIATE

Peter Albert
Joseph Blazek
Tsun Tsun Selina Chan
Derrick Crowe

Peter Alexander Gamboa
Mark Irwin
Sam Khoury
Simar Khosla

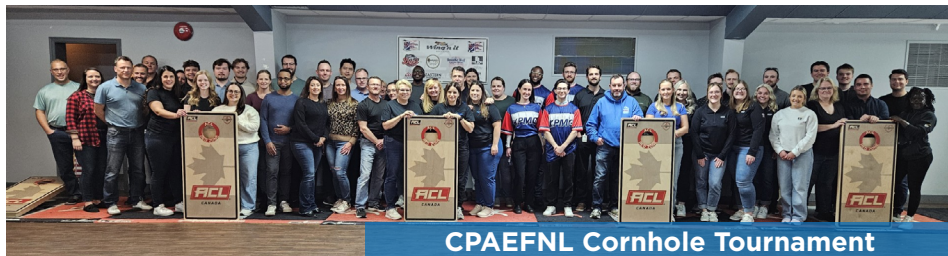
Kunal Laungani
Robert Brock Preston MacAlpine
Dwayne McFaddin
Ryan Miller

Joane Mui
Julie Oliver
Molly Grace Pittman

ANNUAL EVENTS



Convocation & Awards Ceremony 2025



CPAEFNL Cornhole Tournament



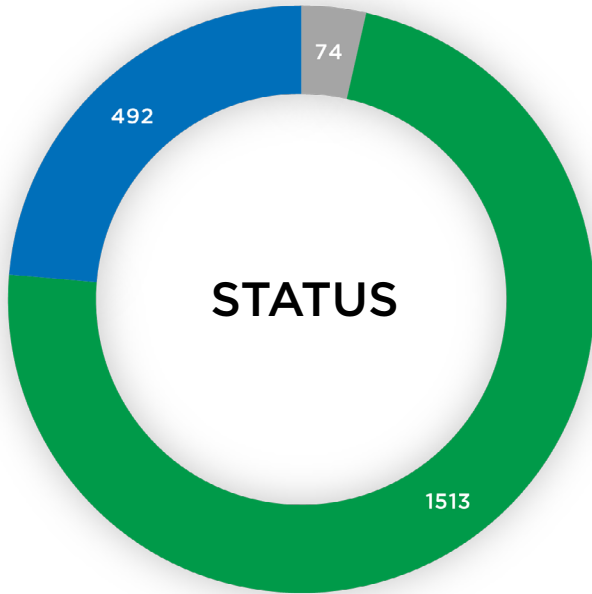
Lester's Farm Family Fun Day



CPAs: Multiplying Kindness

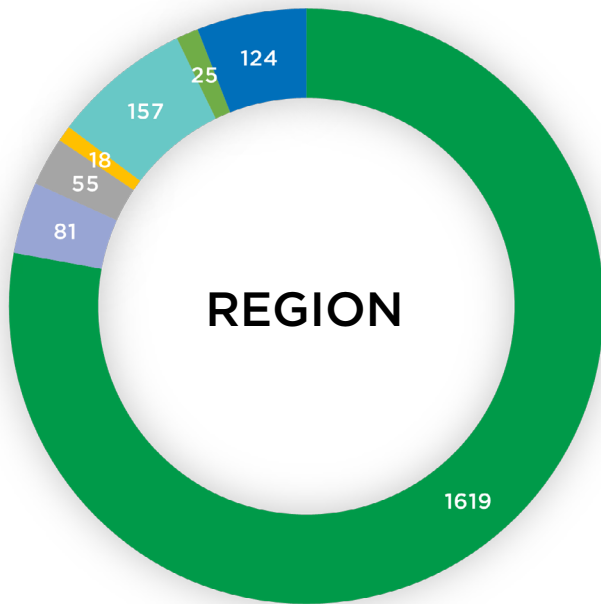
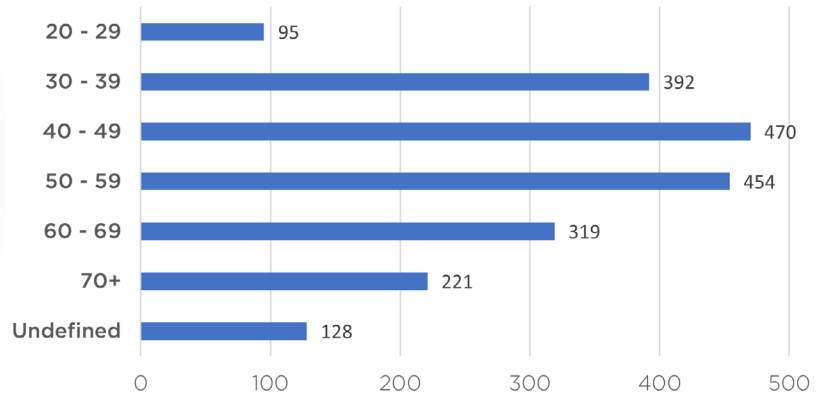
Member Demographics

TOTAL MEMBERSHIP - 2,079

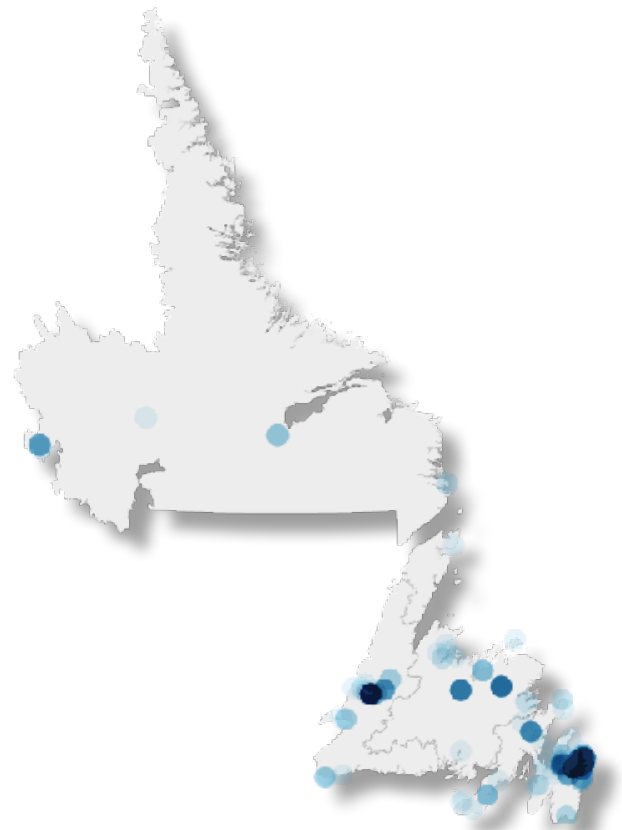


■ Regular ■ Retired ■ Affiliate

AGE



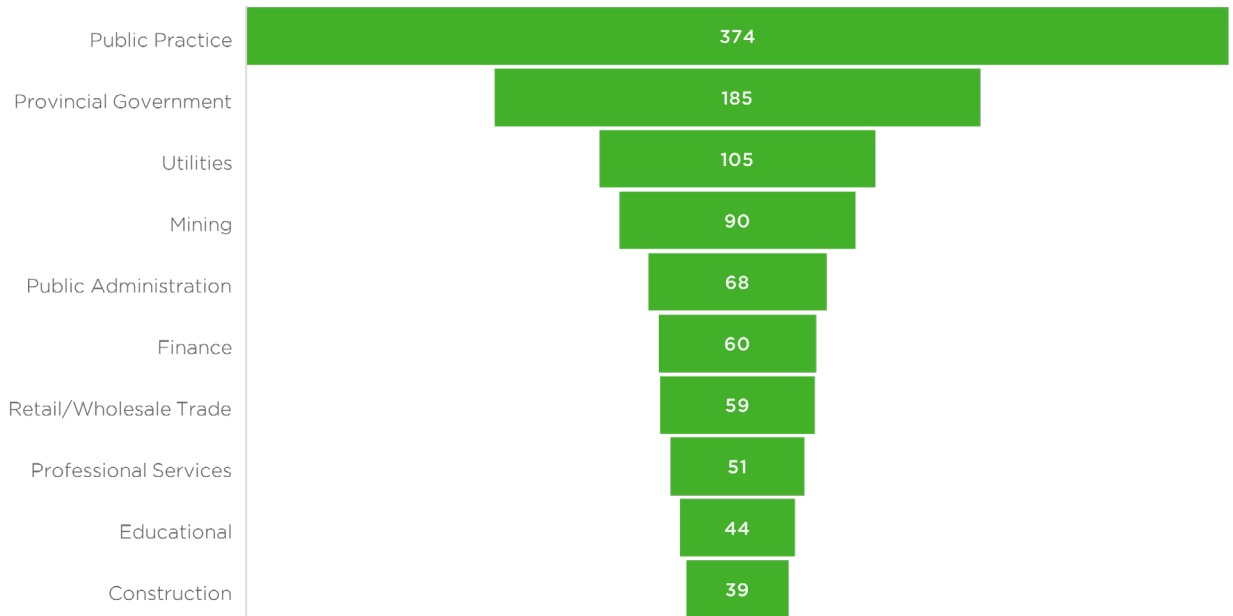
■ Avalon ■ Central ■ Eastern ■ Labrador
■ National ■ OOC ■ Western



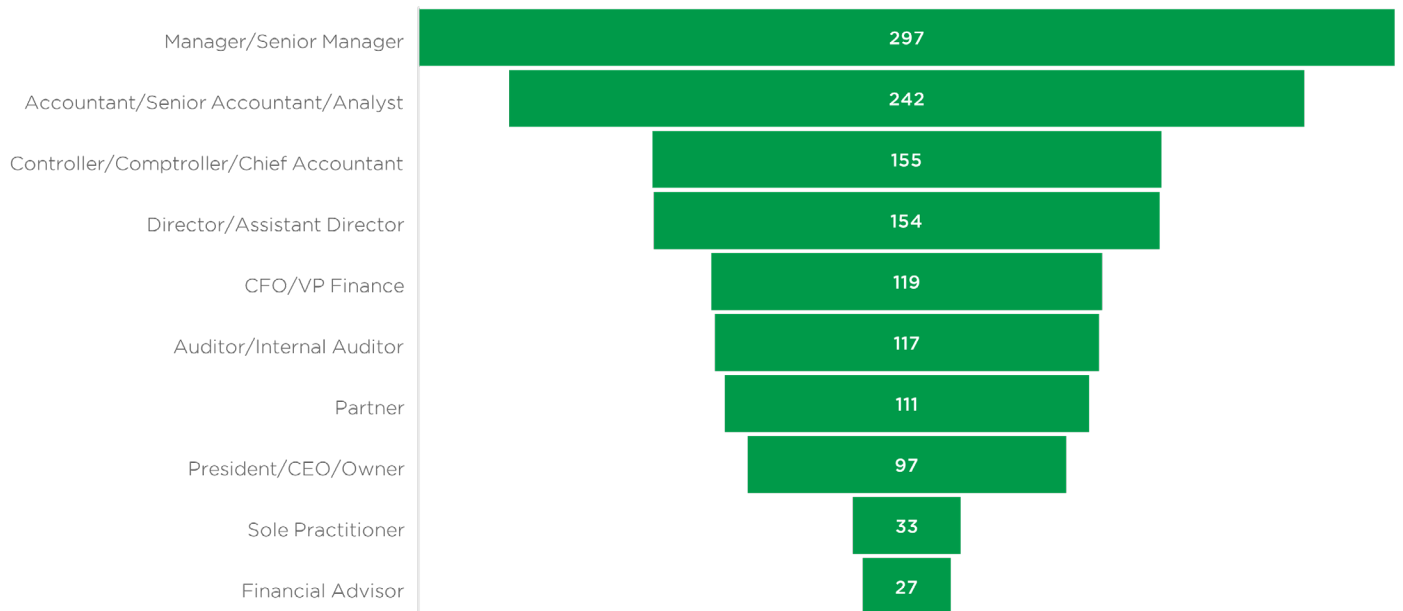
Member Demographics

NON-RETIRED MEMBERS - 1,587

TOP 10 SECTORS FOR CPAs



TOP 10 TITLES FOR CPAs



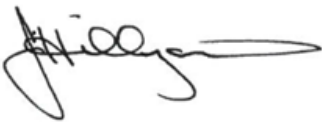
Statement of Management Responsibility

The annual financial statements and all financial and other information contained in this Annual Report are the responsibility of the Association's management. Management has prepared the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, choosing those which it considers most appropriate to the Association's circumstances, and applying best estimates and judgments based on currently available information. The significant accounting policies are described in note 1 to the financial statements.

The Management Discussion and Analysis (MD&A) has been prepared in a manner consistent with the spirit and broad framework articulated by the CPA Canada's Canadian Performance Reporting Initiative Board in its document Management's Discussion and Analysis: Guidance on Preparation and Disclosure. The MD&A includes forward-looking information. Actual results in the future may differ materially from this information; however, because future events and circumstances are not always within management's control, they may not occur as expected. Management is responsible for the integrity and reliability of financial information, and has established systems of internal procedural and accounting controls designed to achieve this. These systems also reasonably ensure that assets are safeguarded from loss or unauthorized use.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through the Audit and Investment Committee. The Audit and Investment Committee of the Board meets with the auditors, both with and without management present, to review the activities of each, as well as to review the financial statements and to report to the Board thereon.

Coombs and Associates, Chartered Professional Accountants have been appointed as the Association's auditors to express their opinion on the fair presentation of the financial statements. They have full and unrestricted access to the Audit and Investment Committee and management to discuss matters pertaining to their audit. The Audit and Investment Committee annually undertakes a formal review of the auditor's performance and makes recommendations to the Board with respect to reappointment for the coming year.



Jason Hillyard, CPA, CGA
Chief Executive Officer

Management Discussion & Analysis

MISSION

The mission of the Association of Chartered Professional Accountants of Newfoundland and Labrador is to enhance the influence, relevance and value of the Canadian CPA profession by protecting the public, supporting its members and students, and contributing to economic and social development.

The Association of Chartered Professional Accountants of Newfoundland and Labrador is an incorporated self-regulatory professional body. CPA Newfoundland and Labrador has 2,079 members and 316 students registered in either our preparatory courses or the professional education program.

GOVERNANCE

Under *The Chartered Professional Accountants and Public Accountants Act, 2014*, the Board of CPA Newfoundland and Labrador is governed by 16 individuals, twelve CPA members appointed by the membership and four public representatives appointed by the Minister of Digital Government and Service NL. To assist with governance, there are four Committees of the Board - Human Resources, Complaints Authorization, Membership & Licensing and Discipline Advisory. In addition to Committees of the Board, there are three Board Advisory Committees - Audit & Investment, Governance & Nominating, and Member Recognition. There are two Management Committees - Office Practice Inspection and Government Relations. Other special or advisory committees may be established from time to time.

FINANCIAL PERFORMANCE

An annual budget, which includes capital requirements, is prepared by management, and reviewed by the Board. The Association's annual budget is prepared on a break-even basis. The Board assesses the merits of the planned strategic initiatives with the budgeted cost, before setting membership fees at a level that facilitates a break-even budget position. For 2024-25 the Board maintained the annual membership fee set in 2023-24 of \$675 and accepted a budget surplus of \$30,220. The Board accepted the budget surplus of \$30,220 for 2024-25 to minimize the need for inflationary increases in the near term as costs continue to rise.

The Association's performance relative to its budget is monitored on an ongoing basis by the Board. Decisions by management to make expenditures which are unplanned or at levels which materially depart from the budget must be approved by the Board. When variances from budget exist, the Board assesses the variances and takes actions as it deems appropriate in the circumstances.

ACCOUNTING DISCLOSURES

The Association follows Canadian accounting standards for not-for-profit organizations (ASNFPOs).

FINANCIAL POSITION AND LIQUIDITY

At March 31, 2025, CPA Newfoundland and Labrador's total net assets were \$1,994,282, of which \$1,291,282 was unrestricted. This complies with the Board's net asset policy which requires that unrestricted net assets not fall below the total annual membership fees for the year. Annual membership fees for 2024-25 were \$1,092,241.

For the period ended March 31, 2025, the Association realized \$119,529 in cash from operating activities and an additional \$136,999 from investing activities. Cash and cash equivalents consist of cash in the bank as well as short term investments with maturities less than three months. Management believes that cash and cash equivalents, together with highly liquid long-term investments and anticipated cash flow from operations, are sufficient to meet its working capital and capital expenditure requirements.

The Association has established a low-risk investment policy and has secured investments which meet the policy requirements to invest cash in excess of short-term needs. In addition to its short-term investments included in cash and cash equivalents, the Association held \$800,000 in investments maturing within one year and \$610,000 in longer term Guaranteed Investment Certificates maturing in June 2026 and June 2027.

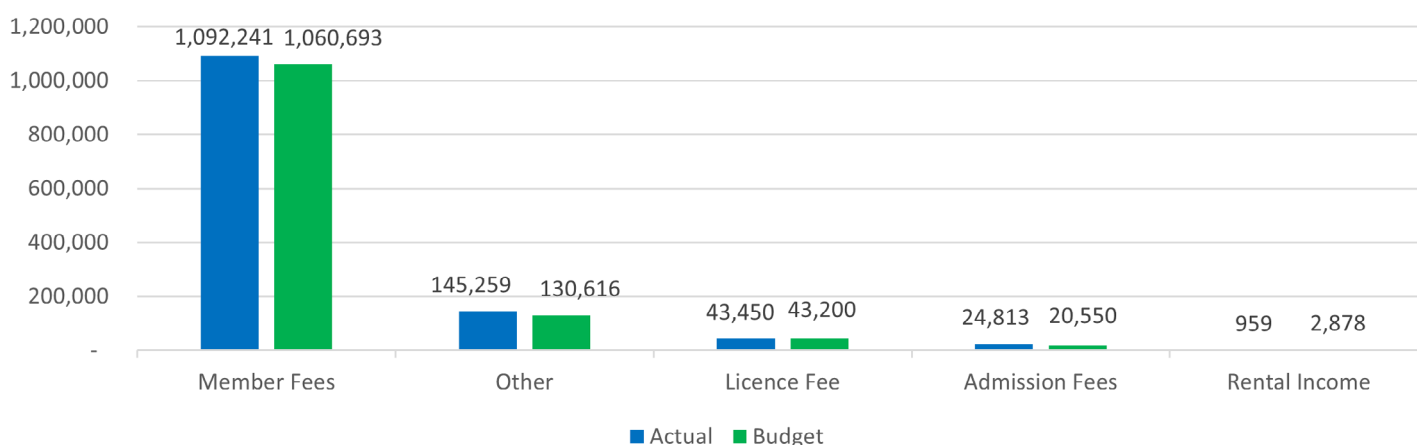
RESULTS OF OPERATIONS

Revenue from membership fees for the year ended March 31, 2025, was \$1,092,241; an increase over the prior year of \$19,941 and over budget by \$31,548. The variance in member fees is due to fewer retirements and fee waivers than anticipated as well as an increase in new members. Admission fees for the year were \$24,813 over budget by \$4,263, consistent with the overall increase in new members.

The Association also generated revenue of \$43,450 from the issuance of public accountant licenses. This was consistent with both the prior year and with budget.

Other revenues totaled \$145,259 and included convocation ticket sales, interest on financial holdings, website advertising, administrative fees, sponsorships, and post designation public accounting (PDPA) course and exam fees. This is over budget by \$14,643 due to positive interest rates and an increase in principal invested.

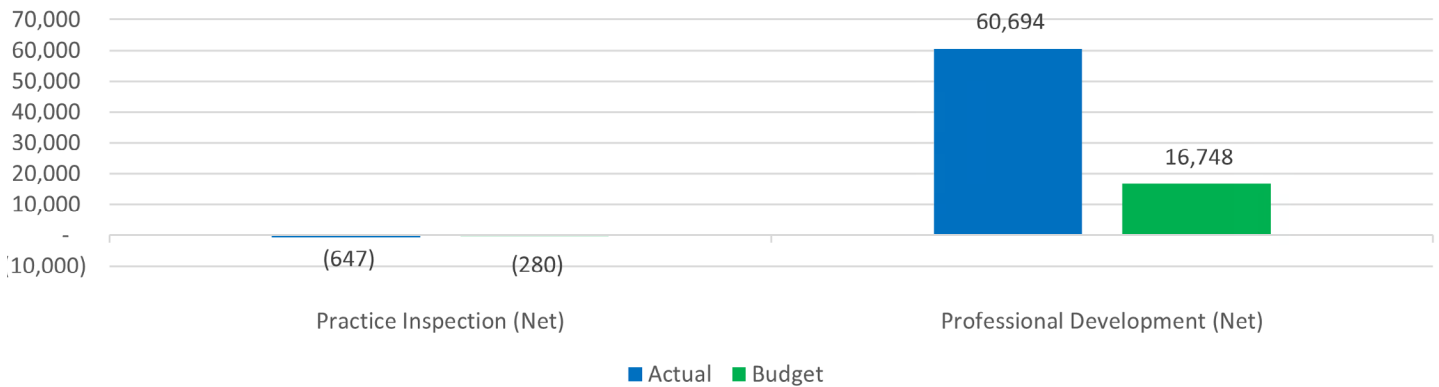
Revenue Overview - Actual vs Budget



In addition to the revenues highlighted above, the Association has two key self-funded activities which include the professional development program and the practice inspection program. The practice inspection program operated at a deficit of \$647 compared to a budget deficit of \$280. Practice inspection is not intended to contribute to general operations and we continue to aim to achieve a self-funded position.

The contribution to operations from the Professional Development program was \$60,694, over budget by \$43,946. This increase was attributable to an overall increase in registrations, combined with a course complement that included more high margin course offerings. The introduction of the new Learning Management System in late 2023-24 meant that certain courses were not fully functional on this system for 2024-25, these courses were lower margin courses. CPANL has worked with the course providers and these courses will be back in the program for 2025-26. The entire 2024-25 CPD program continued to be run virtually with a variety of courses offered through live-broadcasts and on-demand platforms. The Association continued its partnership with CPA Nova Scotia, CPA PEI, and CPA Bermuda, allowing our members to avail of a broader range of course options. Many indirect costs are not allocated to the professional development program and there is an expectation that Professional Development will yield a contribution to offset a portion of the indirect costs incurred by the Association.

Self-Funding Activities Overview - Actual vs Budget



Cost recoveries and fines resulting from discipline orders are recognized in the year received and are not budgeted. For 2024-25 no such fines or recoveries were received.

The overall increase in revenue, together with a positive variance in expenses of approximately \$95,000 resulted in an excess of revenue over expenditures of \$196,925, compared to a budget surplus of \$30,220 and prior year surplus of \$286,343.

The positive variance in expenses comes from a number of areas, the most significant of which are conduct and discipline, national initiatives, professional fees and meetings and member events.

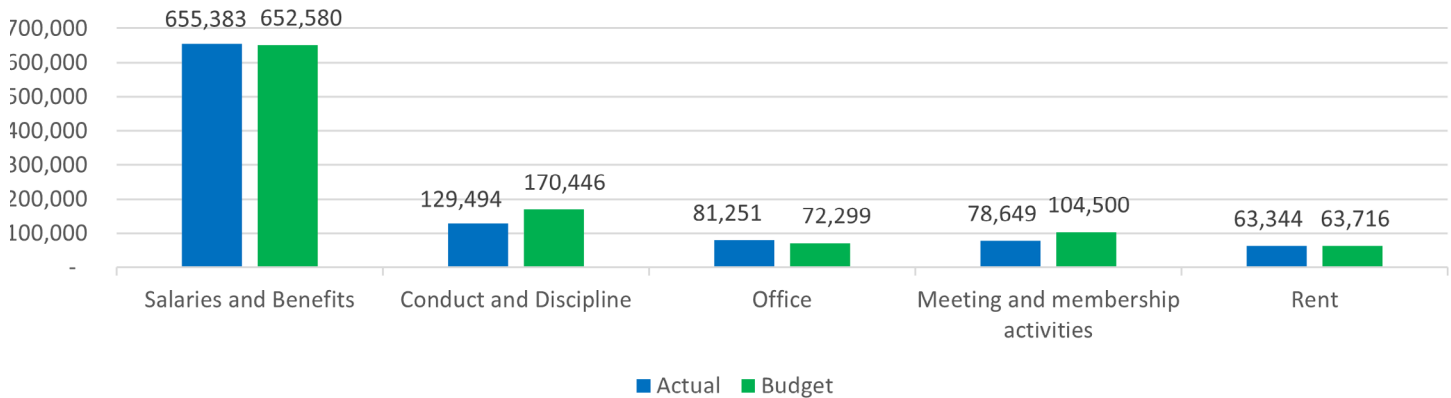
Conduct and discipline showed a positive budget variance of \$40,952. Compared to the prior year there was a negative variance of \$21,812. Given the nature of this expense, it is difficult to budget as it is not possible to determine the timing, nature, and complexity of disciplinary matters in any given year. The annual budget is based on a rolling 5-year average of conduct and discipline costs. Included in conduct and discipline costs are Association legal fees, investigation costs and tribunal costs, which include legal fees, transcription services and other costs related to a discipline hearing.

National initiatives are the provincial share of certain initiatives completed collectively by CPA Canada and the Provincial, Territorial and Bermudian CPA bodies (PTBs) via the Council of Chief Executives (CCE). The budget is developed by the CCE and CPA Canada processes financial transactions throughout the year based on the budget with an adjustment at year end to reflect the actual spend. These costs were \$11,180 under budget for the year. Many activities were curtailed in the year as CPA Canada and the PTBs worked through a new approach to national collaboration, resulting in shared costs being lower than budget.

Professional fees for 2024-25 were \$16,250 less than budget. The budget included an allocation for legal fees for a matter that did not proceed, and no costs were incurred.

Meeting and membership activities were underbudget by \$25,851, due to a number of factors. Costs related to the membership database were underbudget as a result of a reduction in the level of database support required during the year. The budget for convocation includes the video production for the FCPA and ELA recipients, in 2024-25 there was no FCPA or ELA awarded.

Top 5 Expenses Overview - Actual vs Budget



In 2024-25 CPA Newfoundland and Labrador operated primarily with a complement of 6 staff, with contractors providing additional support for professional development, practice inspection and professional conduct investigations. The Association benefits greatly from the support of many CPAs and public representatives who generously volunteer their time and expertise to the profession.

RISKS AND RISK MANAGEMENT

ECONOMIC ENVIRONMENT

The economic environment in the province of Newfoundland and Labrador is one of cautious optimism in 2025, GDP is expected to grow, but at a slower rate than the prior year and uncertainty with US tariffs and our aging population could have further negative affect.

Overall, the Association was fortunate to have a steady flow of graduates becoming members in the Association, as well as members transferring to the province this year. Admissions kept pace with retirements again in fiscal 2024-25 and that trend continued through the 2025-26 renewal cycle resulting in an increase of four regular members year over year, affiliate members increased by 15 and retirements increased by 16.

We continue to see a strong market for CPAs in the province as evident from job opportunities posted on our website and the regular touch points from employers seeking CPAs. In 2024-25 there were 47 job postings up from 43 in the prior year.

To meet the demand for CPA's and to provide more flexibility for students and employers, the profession is providing two opportunities to write the Common Final Examination - in September and May. This year we were delighted to welcome 43 new graduates to the profession.

We remain focused on maintaining our member base and achieving our operating targets going forward. We will continue to work with CPA Canada, our provincial counterparts, and the CPA Atlantic School of Business to support the profession and recruit new students as we prepare for the future.

RISK IN RESPECT OF FINANCIAL INSTRUMENTS

The Association's financial instruments are comprised of cash and cash equivalents, investments, accounts receivable, and accounts payable. The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates fair value due to their liquidity and short-term maturities.

The Association is exposed to the following risks in respect of certain financial instruments held:

- Credit risk arises from the potential that a counter party will fail to perform its obligations. It is management's opinion that the Association is not exposed to significant credit risk as its accounts receivable arise mainly from transactions with parties such as members and firms.
- Currency risk is the risk to the Association's revenues and expenses that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the Association is not exposed to any currency risk as it has no material transactions in foreign currencies
- The Association's investments in cash equivalents and fixed income investments are subject to market risks as the value of these investments will change with market fluctuations. Based on the nature of the Association's investments, it is management's opinion that the Association is not exposed to significant fair value market risk.

OPERATIONAL RISK

The Association operates with limited designated staff and relies largely on its volunteers to achieve the strategic priorities of the Board. This represents a risk that the Association may not be able to achieve all objectives should positions become vacant. To mitigate this risk the Board ensures that it has a broad base of volunteers and contract employees as well as an active and engaged Board who are capable of managing the organization should such a need arise.

As a self-regulatory body, the Association recognizes the need to ensure it can continue to provide self-regulatory activities such as on-going discipline activities and practice inspection. Such activities do not come without a substantial cost representing an operational risk for the organization. By maintaining total unrestricted net assets in excess of annual membership fees and working with support and combined resources of the other provinces and the national body, the Board is taking conscious efforts to mitigate this risk. The Board has updated its internally restricted net assets policy to require that a balance of a minimum of one and a half times the actual five-year average conduct and discipline costs be maintained and has added an internally restricted fund to maintain a balance to cover future strategic initiatives. Such initiative and the balance to be maintained are at the discretion of the Board. For 2024-25 we continue to maintain the required unrestricted net assets, have increased internally restricted net assets for conduct and discipline in accordance with the policy, and have allocated an additional \$100,000 to the internally restricted strategic initiatives fund, for a total fund balance of \$250,000.

The Board has implemented a new set of governance policies during the year, providing greater specificity to the role of the board and the role of the staff, ultimately providing greater transparency and accountability to both parties. The exercise of updating these policies has provided greater clarity and understanding of the business and as we move forward to operationalize these policies will provide greater alignment and oversight.

PROGRESS ON PRIORITIES

PROTECT THE PUBLIC

CPA Newfoundland and Labrador's mission and legislative environment centres around our commitment to protect the public. The Association is a self-regulatory body and is responsible to ensure its membership remains in compliance with the Act, Regulations, By-laws, and the Rules of Professional Conduct. The components of the regulatory framework are there to ensure that our members conduct themselves in a professional manner with the protection of the public at the utmost importance and our processes are inclusive of a formal complaints and discipline process.

As members of CPA Newfoundland and Labrador, CPAs are required to maintain standards of qualification, practice, and professional ethics, as well as standards of knowledge, skill and proficiency. All CPAs in the province of Newfoundland and Labrador are subject to specific requirements to maintain the privilege of carrying the CPA designation. These include, but are not limited to, adherence to the CPA Newfoundland and Labrador

Rules of Professional Conduct and continuing professional development in areas relevant to their professional role.

In addition, CPAs providing services to the public in the province must be registered with CPA Newfoundland and Labrador to provide those services, and are subject to additional regulation, including, but not limited to, a requirement to maintain professional liability insurance, and be subject to periodic practice inspections, where applicable.

Discipline

The discipline activities of the Association are carried out by the Registrar, the Complaints Authorization Committee (CAC) and the Disciplinary Panel. The Registrar is responsible for receiving all allegations made against a member or student of the Association. Also, the Registrar or the Board may, on its own motion, make an allegation when information regarding a member's conduct comes to the attention of the Association. Some allegations may be resolved by the Registrar if the circumstances are appropriate and both parties' consent. If the allegation is not appropriate for resolution by the Registrar, the allegation must be referred to the CAC. The primary mandate of the CAC is to review all allegations which have been referred to it by the Registrar and determine whether there are reasonable grounds to believe the member has engaged in conduct deserving of sanction. If such a determination is made, the allegation constitutes a complaint, and the CAC may counsel or caution the member, or in more serious matters, may instruct the Registrar to file the complaint against the member and refer it to the Disciplinary Panel. An Adjudication Tribunal is selected from the Disciplinary Panel to conduct a hearing and decide whether the member is guilty. If the member is found guilty, the Adjudication Tribunal is also responsible for determining the appropriate sanctions.

During 2024-2025 the CAC processed seven allegations, two that were ongoing from the previous year and five new allegations that were referred to it by the Registrar during the year. Of these seven allegations, one was dismissed, three were referred to the disciplinary panel for a hearing, and the remaining three continued to be processed by the CAC. During the year, the Registrar also resolved three allegations without referral to the CAC.

In addition to the three matters referred for a hearing in 2024-2025, a hearing into one complaint from previous years is ongoing. The outcomes of hearings are published on the CPA Newfoundland and Labrador website.

Practice Inspection

CPA Newfoundland and Labrador utilizes a nationally harmonized practice inspection program in performing its practice inspections. The harmonized approach aims for consistency in practice inspection within the province and across the country. All practice inspectors are trained in the application of the harmonized program. To ensure consistent application of the harmonized program across Canada, a Practice Inspection Standing Committee, of which the Director, Professional Services and Operations is a part, meets on a regular basis to monitor practice inspection results.

Throughout 2024-25 inspections were completed by the Director, Professional Services and Operations, and two contract inspectors. Continuing with the Atlantic collaboration, one of these contract inspectors was from Nova Scotia. CPA Newfoundland and Labrador and its Atlantic counterparts see many benefits from sharing inspection resources and plan to continue to work collaboratively in this area. Practice inspections are conducted on a risk adjusted cycle, with the standard cycle being once in every three-year period. The total number of members subject to practice inspection throughout the cycle will vary as new members join and members retire from public practice. Throughout the cycle, there are also changes to the level of services members in public practice are offering to their clients. The mandate of practice inspection covers all engagements addressed by standards in the CPA Handbook – Assurance.

At the beginning of the 2024-25 inspection year there were 101 firms that had reported they were in the practice of public accounting, 41 of which were subject to inspection or reinspection in the 2024-25 inspection year. This

consisted of practices offering a full range of assurance services as well as compilation only practices. During the inspection cycle, it was confirmed that 6 of these practices no longer provided inspectable services, these practices were advised to contact CPA Newfoundland and Labrador immediately should the practice status change. Of the 35 remaining inspections, 16 have been finalized; 2 have been deferred due to an extenuating circumstance. The remaining 17 inspections are in progress or scheduled for completion by August 31, 2025.

Throughout 2024-25 CPA Newfoundland and Labrador continued its hybrid approach to practice inspection, with remote inspection continuing to be offered where it is practical to do so.

In determining the action to be taken following an inspection, the Practice Inspection Committee's considerations may include, but are not limited to:

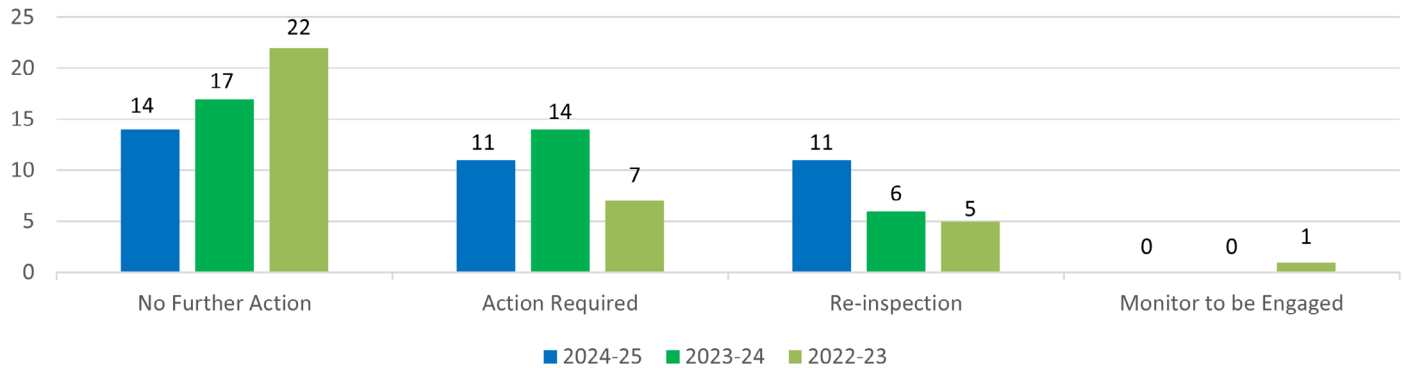
- the degree to which the requirements of the practice inspection program have been met;
- the nature and severity of any identified deficiencies;
- the cooperation of the member/firm;
- the public interest; and
- on a re-inspection, the results of any previous inspections of the member/firm and the response of the member/firm to those inspections.

Where practice inspection findings identify areas of non-compliance with standards such that the firm has not met the requirements of the practice inspection program the practice inspection committee may decide to re-inspect a practice. Depending on the nature and magnitude of inspection findings the committee may also require a practice to engage the services of a monitor to provide a pre-release review of a selection of files. Should the committee determine that the non-compliance is so significant as to pose a risk to the public that cannot be mitigated by re-inspection or a monitored practice the committee may make an allegation to the Registrar.

Where practice inspection findings indicate that the standards are substantially met but some assurance is required that certain matters identified will be addressed on a timely basis, the practice inspection committee may recommend prescribed professional development courses, submission of an action plan, or inspection on a shortened inspection cycle.

In total there have been 36 inspections completed since the last annual report: 16 for the 2024-25 inspection cycle year to date and 20 for the 2023-24 inspection year. 11 of these inspections did not meet the requirements of the practice inspection program, resulting in the firms being subject to a full or partial reinspection. 11 inspections were considered to meet the standards, but certain actions were required by the firm to ensure the requirements of the practice inspection program continue to be met, and the remaining 14 inspections required no further action. As the following table illustrates, the number of firms not meeting the standards of practice has been consistent over the past three years. In 2024-25 the number of firms requiring re-inspection or some form of corrective action to continue to meet the standards continued to be high. The introduction of CSRS 4200 for compilation engagements as well as the new Canadian Standards for Quality Management contributed to this increase as firms did not implement, or fully implement, the changes required under these standards.

Inspection Results



Annually the practice inspection committee prepares a focus on findings report highlighting common issues found in practice inspection for the year with links to resources available to members to assist in applying the standards. This report was issued in the fall of 2024.

EDUCATION

Education delivery has many components within CPA Newfoundland and Labrador, this includes our support of accounting at the post-secondary level in Newfoundland and Labrador via the Chartered Professional Accountants' Education Foundation of Newfoundland and Labrador, Inc. (the Education Foundation), the delivery of the CPA programs through the CPA Atlantic School of Business (CPA ASB), and the continuing professional development program that we deliver to our members.

Education Foundation

To support the development of future CPAs in Newfoundland and Labrador the members of the Association provide support to the Education Foundation. Through this support the Education Foundation is able to execute on its mission to promote professional excellence in accounting education by supporting the development of academia and providing support to students in their pursuit of the designation.

The Education Foundation has many programs available to students in Newfoundland and Labrador to help them succeed in their goal of becoming a Chartered Professional Accountant. The Education Foundation had made a \$250,000 commitment over five years to Memorial University of Newfoundland and Labrador which concluded with the 2023/24 installment, however remaining funds within that program allowed all aspects to continue during fiscal 2024/25 and subsequent to the Associations fiscal 2025-year end, the foundation has established a new commitment of \$125,000 over three years. This commitment will continue to fund several convocation awards, a series of scholarships and support for faculty. In addition the Education Foundation maintains a CPA financial assistance program which operates outside of this commitment to Memorial University.

The CPA Program

The CPA Atlantic School of Business (CPA ASB) has been established by the Atlantic provinces and Bermuda to deliver the CPA education program consisting of the CPA Professional Education Program (CPA PEP) and CPA preparatory courses to students in the region. The Association monitors program delivery on a continuous basis to ensure the CPA ASB is meeting its objectives and providing our aspiring CPA students with an exceptional education program.

CPA ASB is responsible for the recruitment of students throughout the region and training them to become our future members. A key indicator of the future pool of new members is the intake in the Core 1 course, which continues to remain stable for Newfoundland and Labrador, with intake for fiscal year 2025 at 77 registrations versus a five-year average of 67. Newfoundland and Labrador saw a total of 111 new learners in either the CPA

PEP (59) or CPA Preparatory courses (52) in the year versus a five-year average of 103.

The CPA PEP program and Common Final Examination was successfully completed by 43 Newfoundland and Labrador Candidates at either our May or September 2024 exam offering. We were delighted to host a convocation in June 2025 celebrating the success of those graduates.

As a profession we continue to evolve and prepare our students for the future of the profession. We have adopted a new competency map and are amid a multi-year project to roll out a new certification program that maintains the core of our profession and prepares students for roles of the CPA of the future.

I continued my role as a director and a member of the executive of the board of the CPA ASB throughout the year, which has strengthened the connection between the school and the profession and promoted collaboration within the profession as we work toward the development and delivery of the new education program. Working closely with the Board and staff of CPA ASB to understand the challenges and opportunities within the education area enhances our response, ultimately improving our position for the future growth of the profession.

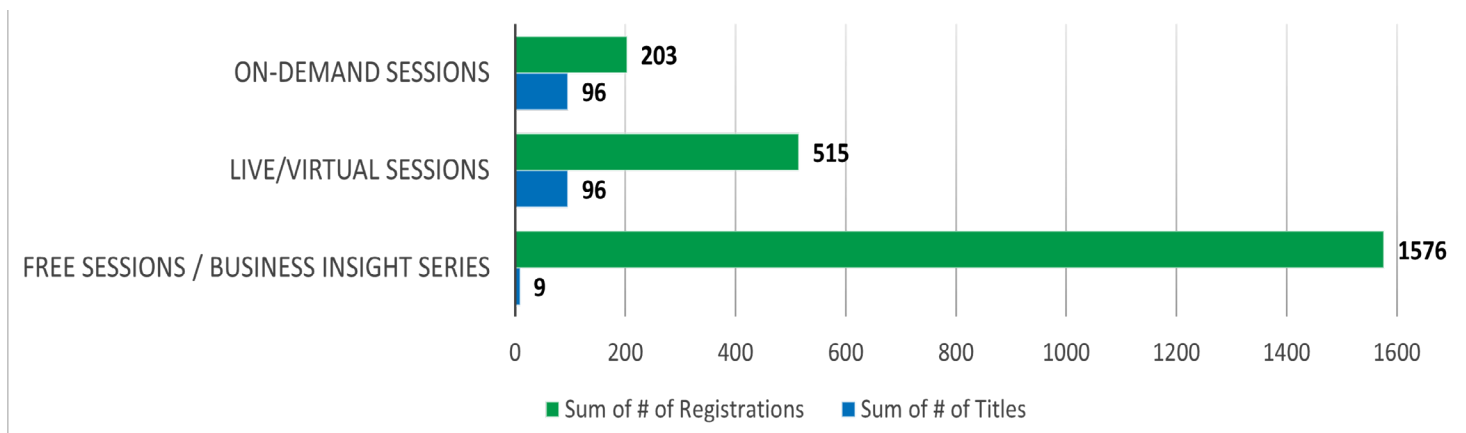
Professional Development

The professional development program delivered by CPA Newfoundland and Labrador is a partnership with the other Atlantic provinces with respect to delivery and a partnership of all Canadian CPA provincial bodies with respect to development of the core curriculum. The collaboration amongst the provincial bodies as it relates to professional development ensures all provinces can assist members in maintaining the core competencies required for them to succeed. Course material covers a broad range of competency areas to allow members to align their learning to the roles they serve in their organizations. The curriculum is maintained and enhanced annually to align to the needs today and for the future. In addition, CPA Newfoundland and Labrador leverages trusted providers to augment the profession developed content to ensure efficiency and ease of access for our members.

This year we continued to offer a wide variety of learning opportunities in such areas as financial reporting, assurance, corporate finance, information technology, taxation, wealth management, leadership and personal development. Through a partnership with our colleagues in Atlantic Canada, we were able to offer a significant line-up of courses in virtual settings, providing members with flexibility and ease of access.

PD STATISTICS

April 2024 - March 2025



Top Three Paid Courses (by Registrations)

- Income Tax - Update 2024 - 51 registrations
- Compilations - Specific Topics - 15 registrations
- Income Tax - Owner/Manager Compensation - 15 registrations

GIVING BACK TO OUR COMMUNITY

CPA Newfoundland and Labrador plays an active role in the organization and administration of the annual volunteer income tax clinics for seniors and low-income individuals. Through a combination of virtual and in-person delivery, approximately 270 tax returns were completed in our volunteer income tax clinics this year.

CPAs in the province have also embraced the CPA Canada financial literacy program. There are a significant number of our members that have signed up to facilitate the program, which is designed to reach school age children, college and university students, as well as members of the public with the goal of improving financial literacy.

Again, this year we were also able to continue the tradition of the CPAs multiplying kindness event, where our members provided support to local food banks, a testament to the generosity of our membership.

THE YEAR AHEAD

Work started in Fiscal 2025 and will continue in the year ahead on the future of collaboration between the Provincial, Territorial and Bermudian (PTBs) CPA organizations. CPA Ontario and CPA Quebec have exited the existing national collaboration accord which previously existed between all PTBs and CPA Canada, however as regulators, the PTBs continue to have a number of areas in which continued collaboration is helpful to meet our mandate of protection of the public and ensure continued mobility of our members from one province to another.

Many regulatory areas have already been re-established and collaboration continues between all PTBs to ensure consistency in regulatory processes where appropriate and maintain the mobility that the profession has enjoyed for many years and will continue to enjoy in years to come. As CPA Canada reimagines its role in the future of the profession, CPA Newfoundland and Labrador remains supportive as CPA Canada transitions to ensure continued strength of our national profession and value for our members.

There is a multi-year project in progress related to the new CPA education program. Together with my PTB colleagues, and in my capacity as Chair of the CPA ASB board for Fiscal 2026, I am heavily focused on the successful development of the new CPA education program and growth of the CPA profession in the province. Through my role with CPA ASB, I will be closer to the decision-making processes and will work to improve alignment between our provincial, regional and national initiatives in this area. I will continue to work with CPA ASB on recruiting new students into the program to maintain an adequate flow of candidates to meet demand and replace the number of members retiring from the profession each year.

We will deliver and monitor the discipline process to ensure that as a profession we maintain the public trust. The practice inspection program remains a strategic priority and we will ensure we continue to meet the rigorous policies we have established to inspect our members on a regular schedule. We will remain focused on ensuring our members meet the requirements of our continuing professional development policy, and our member portal will help keep our members informed as to their position relative to the policy. Through regular communication, and our focus on providing alternate professional development opportunities, we hope to improve access to the necessary professional development for our members and enable them to maintain the high level of competency in their respective professional roles that the public expects.

Continuing from the work that was done in fiscal 2025 to refresh the Board governance policies, fiscal 2026 will focus on enhancing our operational policies, procedures and board reporting to support those policies. Further, we will refresh our committee terms of reference to align with the new board governance structure. Ultimately our work in these areas will ensure more effective governance, oversight and strategic focus in the year ahead.

Jason Hillyard, CPA, CGA
Chief Executive Officer
August 12th, 2025

Independent Auditors' Report

To the Members
Association of Chartered Professional Accountants of Newfoundland and Labrador

Opinion

We have audited the financial statements of Association of Chartered Professional Accountants of Newfoundland and Labrador, which comprise the statement of financial position as at March 31, 2025, and the statements of operations, net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Association of Chartered Professional Accountants of Newfoundland and Labrador as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization 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 these financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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Mount Pearl, NL
A1N 3C4



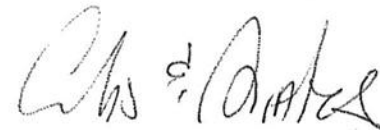
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization'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 organization'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 organization 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.



Chartered Professional Accountants

Paradise, Newfoundland and Labrador
June 13, 2025

Coombs & Associates
Chartered Professional Accountants


Association of Chartered Professional Accountants of Newfoundland and Labrador

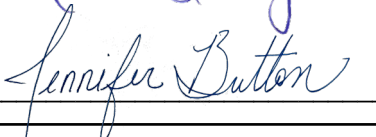
Statement of Financial Position
March 31, 2025

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,530,258	\$ 1,273,730
Short term investments	800,000	700,000
Accounts receivable (Note 2)	92,882	105,825
Prepays	63,940	61,255
	2,487,080	2,140,810
Long term investments (Note 3)	610,000	810,000
Property and equipment (Note 4)	69,296	66,289
	\$ 3,166,376	\$ 3,017,099
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 313,138	\$ 365,686
HST payable	99,409	128,637
Deferred revenue	759,547	725,419
	\$ 1,172,094	\$ 1,219,742
Net assets		
Restricted (Note 8)	703,000	562,000
Unrestricted	1,291,282	1,235,357
	1,994,282	1,797,357
	\$ 3,166,376	\$ 3,017,099

Commitments (Note 5)

Approved on Behalf of the Board:

 , Director

 , Director

See accompanying notes to the financial statements

Association of Chartered Professional Accountants of Newfoundland and Labrador

Statement of Operations

For the Year Ended March 31, 2025

	2025	2024
Revenue		
Membership fees	\$ 1,092,241	\$ 1,072,300
Self-funding activities (Note 7)	229,888	218,373
Other revenue	145,259	124,657
License fee revenue	43,450	43,800
Admission and application fees	24,813	30,262
Rental income	959	2,877
Discipline fine and cost recovery	-	17,500
	1,536,610	1,509,769
Operating expenses		
Salaries and benefits	655,383	517,781
Self-fundings activities (Note 7)	169,841	188,140
Conduct and discipline	129,494	107,682
Office	81,251	71,098
Meetings and membership activities	78,649	91,891
Rent	63,344	62,977
Depreciation	59,994	85,379
Interest and bank charges	42,700	38,997
Insurance	24,819	24,770
Travel	14,055	5,325
Professional fees	9,750	13,208
National initiatives	5,307	8,626
Staff professional development	3,898	2,389
Advertising, promotion and communications	1,200	5,163
	1,339,685	1,223,426
Excess of revenue over expenditures for the year	\$ 196,925	\$ 286,343

Association of Chartered Professional Accountants of Newfoundland and Labrador

Statement of Changes in Net Assets
For the Year Ended March 31, 2025

	Internally Restricted (note 8)	Unrestricted	2025	2024
Net assets, beginning of year	\$ 562,000	\$ 1,235,357	\$ 1,797,357	\$ 1,511,014
Excess of revenue over expenditures for the year	-	196,925	196,925	286,343
Fund Transfers	141,000	(141,000)	-	-
Net assets, end of year	\$ 703,000	\$ 1,291,282	\$ 1,994,282	\$ 1,797,357

Association of Chartered Professional Accountants of Newfoundland and Labrador

Statement of Cash Flows

For the Year Ended March 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenditures	\$ 196,925	\$ 286,343
Item not affecting cash:		
Depreciation	59,994	85,379
	256,919	371,722
Change in non-cash working capital:		
Short-term investments	(100,000)	100,000
Accounts receivable	12,943	6,270
Prepays	(2,685)	(19,135)
Accounts payable and accrued liabilities	(81,776)	2,672
Deferred revenue	34,128	(51,615)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	119,529	409,914
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of property and equipment	(63,001)	(3,744)
Purchase of investments	(600,000)	(800,000)
Redemption of investments	800,000	400,000
NET CASH (USED IN) INVESTING ACTIVITIES	136,999	(403,744)
Net increase (decrease) in cash and cash equivalents	256,528	6,170
Cash and cash equivalents at beginning of year	1,273,730	1,267,560
Cash and cash equivalents at end of year	\$ 1,530,258	\$ 1,273,730
Cash and cash equivalents comprised of:		
Cash	\$ 1,230,258	\$ 1,273,730
Redeemable investments	300,000	-
	\$ 1,530,258	\$ 1,273,730

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

1. Significant Accounting Policies

Nature of business

The Association of Chartered Professional Accountants of Newfoundland and Labrador was incorporated on January 9, 2015 under the Chartered Professional Accountants and Public Accountants Act (the "Act") as a corporation without share capital for the purposes of Part XXI of the Corporations Act. The Association is a self-governing professional organization regulating the Chartered Professional Accounting profession in Newfoundland and Labrador. As a not-for-profit organization under the Income Tax Act, the Association is not subject to federal or provincial income taxes.

Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents and short-term investments

Cash and cash equivalents is defined as cash and redeemable investments that can be withdrawn at any time.

Short-term investments consist of investments with maturities of one year, or less, and bear interest at 5.45%.

Cost recoveries and fines

Cost recoveries and fines resulting from Discipline Committee orders are recognized on a cash basis.

Property and equipment

Property and equipment is recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives as follows for the major classes of assets:

Office furniture and equipment	5 years
Computer hardware and software	3 years
Leasehold improvements	5 years

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

1. Significant Accounting Policies (continued)

Impairment of long-lived assets

In the event that facts and circumstances indicate that the Association's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Association considers that no circumstances exist that would require such an evaluation.

Deferred revenue

Deferred revenue consists of membership fees, licence fees and Professional Corporation fees collected in advance for the upcoming membership year, as well as any professional development revenue for courses that did not occur until the subsequent year, and contract payments received related to the subsequent year.

Presentation of controlled entity

The Chartered Professional Accountant's Education Foundation of Newfoundland and Labrador Inc., which is controlled by the Association, is not consolidated in the Association's financial statements.

Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost. The financial assets measured at amortized cost include cash, investments and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Revenue recognition

The association follows the deferral method of revenue recognition. Membership fees, licence fees and other practitioner assessments are recognized in the year to which they relate. Practice inspection revenue is recognized when the inspection is substantially complete and collection is reasonably assured. Course and activity revenue are recognized when the event is presented. Admission and application fees are recognized when the application is made. All other revenues are recorded in the period to which they relate.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in the determination of the useful lives of the Association's property, plant and equipment as well as determining any allowance for doubtful receivables. Actual results could differ from those estimates and may have an impact on future periods.

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

Contributed services

The Association and its members benefit from contributed services in the form of volunteer time for various committees. Contributed services are not recognized in these statements

2. Accounts receivable

Accounts receivable consists of the following:

	2025	2024
Trade	\$ 76,817	\$ 84,362
Due from CPA Canada	-	4,946
Due from CPA Atlantic School of Business	16,065	16,517
	92,882	105,825

3. Long term investments

Long term investments consist of Bank of Montreal Guaranteed Investment Certificates bearing interest at 4.35% - 4.45% and maturing in June 2026 and June 2027.

4. Property and equipment

Property and equipment consists of the following:

	Cost	Accumulated Depreciation	2025 Net Book Value	2024 Net Book Value
Office furniture and equipment	\$ 17,685	9,500	\$ 8,185	\$ 4,140
Computer hardware and software	255,586	244,449	11,137	62,149
Leasehold improvements	55,527	5,553	49,974	-
	\$ 328,798	259,502	\$ 69,296	\$ 66,289

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

5. Commitments

Agreement with Chartered Professional Accountants Education Foundation of Newfoundland and Labrador, Inc. (the "Foundation")

The Association signed a memorandum of agreement with the Foundation whereby the Association shall provide dedicated funding, in an amount determined by the CPA NL Board annually, to allow the Foundation to meet any mutually agreed upon financial commitments. Prior to accepting or initiating any financial commitments which will require future funding from the Association, the Foundation must seek approval from the CPA NL Board.

The Foundation previously entered into two agreements with Memorial University of Newfoundland Faculty of Business Administration and Memorial University of Newfoundland Grenfell Campus, providing annual funding of \$250,000 over a five-year period which commenced May 1, 2019. The funding was paid in equal annual instalments; with the final payment under the agreements having been paid in 2024.

There was no agreement in place for the 2024-25 fiscal year; however, the Association remained committed to the funding while the Foundation negotiated a new agreement. The Foundation has since reached an agreement with Memorial University of Newfoundland Faculty of Business Administration to provide \$100,000 over three years commencing May 1, 2025. The Foundation is actively working on an agreement with Memorial University of Newfoundland Grenfell Campus to provide \$25,000 over the same period.

Office premises

The Association operates under a five-year rental lease which expires March 31, 2030. The annual commitment for the next five years under the terms of this rental is as follows:

2026	\$ 49,022
2027	\$ 49,022
2028	\$ 49,022
2029	\$ 49,022
2030	\$ 49,022

Equipment Leases

The Association leases a postage machine. The annual commitments under the terms of this lease are:

2026	\$ 683
------	--------

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

6. Employee future benefits

The Association provides benefits to all employees through participation in a multi-employer defined contribution pension plan. The assets of the plan are held separately from those of the Association in an independently administered fund. Contributions accrued and expensed by the Association during the period totaled \$46,012 (2024 - \$35,959).

7. Self-funding activities

	2025	2024
Revenue		
Practice inspection	\$ 45,325	\$ 68,073
Professional development	184,563	150,300
	229,888	218,373
Direct costs		
Practice inspection	45,972	61,764
Professional development	123,869	126,376
	169,841	188,140
Net revenue from self-funding activities	\$ 60,047	\$ 30,233

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

8. Net Asset Policy

Unrestricted Net Assets

To maintain and support CPA NL's self-regulating and operational activities, the Board has adopted a net asset policy designed to mitigate revenue and cost fluctuations from year to year and to maintain operations in the event of unforeseen business and economic circumstances. This policy stipulates that CPA NL maintain a minimum unrestricted net asset reserve equal to the annual provincial membership fees for CPA NL members.

Internally Restricted Net Assets

Conduct and Discipline

To minimize the effect of fluctuating costs associated with conduct and discipline, the Board has adopted an internally restricted net asset policy that stipulates that a minimum internally restricted net asset reserve be maintained equal to one and one half times the annual conduct and discipline budget, but never to exceed \$500,000. For 2024-25, the minimum reserve is calculated at \$256,000. In accordance with Board Policy, where costs, net of fine and cost recoveries are below the annual budget for conduct and discipline in any given year, the surplus will be transferred to the internally restricted fund. For 2025 \$41,000 (2024 - \$90,000) has been transferred to this fund, for a total reserve of \$453,000.

Strategic Initiatives

During 2023-24, the Board also recognized the need to maintain budget stability in the face of a changing profession. The Board adopted an internally restricted net asset policy that stipulates funds be allocated to a strategic initiative fund for purposes of future strategic initiatives as determined by the Board. The Board allocated \$100,000 (2024 - \$150,000) to this fund from the 2024-25 surplus, for a total reserve of \$250,000.

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

9. Disclosure of controlled entity

The Association controls the Chartered Professional Accountants Education Foundation of Newfoundland and Labrador, Inc. by its right to approve the Foundation's strategic plans. The purpose of the Foundation is to enhance the quality of accounting education in Newfoundland and Labrador. The Foundation is incorporated under The Incorporations Act of Newfoundland and Labrador and is a registered charity under the Income Tax Act.

The Foundation has not been consolidated in the Association's financial statements. Audited figures for April 30, 2025 are not yet available and as a result the latest audited figures are presented. Financial summaries are as follows:

	April 30, 2024	April 30, 2023
Total assets	\$ 146,659	\$ 171,221
Net assets	\$ 138,682	\$ 160,243
<hr/>		
Total revenue	\$ 65,682	\$ 54,668
Total expense	(87,243)	(73,552)
	\$ (21,561)	\$ (18,884)

10. Risk management

The Association's policy for managing significant risks includes a comprehensive infrastructure of policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant financial risks managed by the Association include liquidity and credit risk.

Liquidity risk

Liquidity risk is the risk that the Association will be unable to meet its contractual obligations and financial liabilities. The Association manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash to meet its obligations and liabilities.

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

10. Risk management (continued)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Association's credit risk is attributable to receivables. Management believes that the credit risk with respect to financial instruments included in receivables is remote.

It is management's opinion that the Association is not exposed to significant amounts in interest rate or foreign exchange risk.

11. Related party transactions

Relationships with other Accounting bodies and Organizations

Chartered Professional Accountants of Canada (CPA Canada)

CPA Canada is the national organization which supports provincial CPA accounting bodies in Canada.

The Association collects member fees on behalf of CPA Canada. For the year ending March 31, 2025 the Association collected \$596,896 (2024 – \$587,167) on behalf of CPA Canada.

During 2013, CPA Canada established a Collaboration Accord that defines roles and governance processes which the Association has signed. Under the Accord, CPA Canada and the participating provincial CPA 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 bills the participating provincial bodies. The Association's contribution to funding these projects for 2025 amounted to \$8,872 (2024 – \$13,251).

At March 31, 2025 payables and accruals included \$160,673 (2024 - \$196,586) due to CPA Canada for membership fees, costs to be billed back to the provinces under the Accord, and its share of Education deficit. The balance owing for membership fees represents fees paid in advance for the 2025-26 membership year.

Chartered Professional Accountants Atlantic School of Business Association (CPA ASB)

Net costs associated with the CPA education programs are covered 100% by the provincial accounting bodies. The Association has entered into an agreement with CPA ASB to administer the CPA education programs for Newfoundland and Labrador and as such the related costs are billed back to them.

At March 31, 2025, CPA ASB owes the Association \$16,065 (2024 – \$16,517) related to their administration of the education programs.

CPA ASB rented office and meeting space from the Association and \$959 (2024 - \$2,877) has been recorded in these financial statements as rental revenue from CPA ASB. CPA ASB ceased to operate from CPA NL premises in July 2024 and no further rent was received or receivable.

Association of Chartered Professional Accountants of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2025

11. Related party transactions (continued)

Chartered Professional Accountants Education Foundation of Newfoundland and Labrador, Inc.

To meet its commitment to the Foundation (note 5), the Association collects revenue for the Foundation through its annual membership fees. During the year, \$53,445 was collected and paid or payable to the Foundation (2024 - \$52,465).

At March 31, 2025, the Association also owed the Foundation \$34,930 for fees collected from members in advance for the 2025-26 membership year (2024 - \$34,020)

Other Provincial Accounting Bodies

CPA NL has entered into arrangements with other provincial accounting bodies for services related to continuing professional development, practice inspection, and information technology. Included in accounts payable at year end are amounts owing in relation to these services as follows:

CPA Nova Scotia	\$75 (2024 - \$28,931)
CPA Alberta	\$22,885 (2024 - \$16,896)
CPA Manitoba	nil(2024 - \$1,100)

12. Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation.



CPA

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