



2013/2014 Annual Report

of the

Certified General Accountants Association

of Newfoundland and Labrador

On behalf of the Board of Governors, it is my privilege to present the 2013/2014 Annual Report of the Certified General Accountants Association of Newfoundland and Labrador to the November 27th , 2014 Annual General Meeting.

**Michael Kennedy, CGA
Chair**

Chair's Report

During the 2013-2014 fiscal year, CGA Newfoundland and Labrador (CGA NL) reached a number of milestones on the path to unification with the Institute of Chartered Accountants of Newfoundland and Labrador (ICANL) and the Society of Management Accountants of Newfoundland and Labrador (CMA NL).

To prepare for combining operations, CGA NL moved its offices to 95 Bonaventure Avenue in August 2013, sharing a location that ICANL has occupied for a number of years. CMA NL followed shortly thereafter, and in 2014 renovations were completed that provided new offices and larger training centre facilities. October 2013 saw the first joint Professional Development conference for members held in St. John's. This was repeated again last month and I am pleased to report that both conferences had strong attendance from CGA, CA and CMA members. Also, there were some combined social events held throughout the year, including a family skate, wine tasting and golf tournament.

During the continuing merger process, your CGA representatives on the CPA NL Transitional Steering Committee (Debra Feltham, Terry Hutchings and myself) have worked diligently to ensure CGA member rights were protected in the merged organization. TSC committee members drafted legislation that was presented to Government for the Fall 2014 sitting of the House of Assembly. If the legislation passes this fall as planned, CPA NL will become fully operational in January 2015.

We have experienced some internal changes at CGA NL over the past year. Fern Mitchelmore resigned effective September 2013 to pursue other interests. Fern was a great resource during her time with CGA NL, and her experience was especially valuable throughout the merger negotiation process. Courtney Barnhill also recently left CGA NL, having accepted the position of Program Advisor with the newly formed CPA Atlantic School of Business. In her new role, Courtney still works out of what will become the CPA NL offices.

Financially, CGA NL ended the year with a surplus of \$56,210. Significant variants from the budget included an increase in revenue from education fees and lower salary expenses due to the internal changes mentioned previously. In addition, there was \$34,061 in CPA merger expenses, which were primarily related to the recruitment of the Chief Executive Officer of CPA NL.

As I complete my term as chair, I would like to take the opportunity to thank the Board for their continued support during the year. I would also like to personally thank Dianna Perry, Judi Pardy and Courtney Barnhill for their hard work running the day to day operations of the Association. It has been a pleasure to work with you this year and I greatly appreciate your contributions to CGA NL.

Finally, to the membership, I thank you for your support during my term as Chair of CGA NL. I encourage members across the province to stay involved with the Association through volunteering your time if possible.

**Michael Kennedy, CGA
Chair**

CGA Newfoundland and Labrador

The Certified General Accountants Association of Newfoundland and Labrador is a self-governing body of professional accountants incorporated under Chapter C-6.1, An Act Respecting the Certified General Accountants Association of Newfoundland and Labrador. CGA Newfoundland and Labrador is affiliated directly with the national body, CGA Canada.

The Association in Newfoundland and Labrador operated until its incorporation in 1984 as a branch of CGA Canada. As early as 1962, there were two CGA members and seven students in the province. Now, more than forty-five years later, CGA Newfoundland and Labrador is a thriving organization of over 500 certified members and registered students.

In 1997, thirty certified members (in addition to four certified members licensed as Registered Public Accountants) became licensed to practice public accounting under the Public Accountancy Act in Newfoundland and Labrador.

Mission Statement

The members, staff and elected Board of Governors of CGA Newfoundland and Labrador will work together to enhance the value and profile of the CGA designation at the national and local levels.

CGA NL will fulfill its mission by operating its business affairs using best practices, focusing on stewardship and asset protection for its members, providing sufficient professional development opportunities, increasing both the number of new students entering the program and the retention of existing students, and by providing the highest possible level of learning to its students through superlative operation of its education program.

2013/2014 Board of Directors

Michael Kennedy, CGA	Chair
Tammy Drew, CGA	1 st Vice-Chair
Stacey Silver, CGA	2 nd Vice-Chair
Debra Feltham, FCGA	Treasurer
Brenda Rose, CGA	Secretary
Ceanne White, CGA	Past Chair, CGA Canada Affiliate Council member, NEC Representative
Shelly Traverse, CGA	Governor
Terry Hutchings, FCGA	Governor
Leonard Harvey, CGA	Governor
Trevor McCormick, FCGA	Registrar
Derek Sullivan	Public Representative
Don Anthony	Public Representative
Blair Patrick	Public Representative

EXECUTIVE COMMITTEE

Chair:	Michael Kennedy, CGA	Chair
Members:	Tammy Drew, CGA	1 st Vice Chair
	Stacey Silver, CGA	2 nd Vice Chair
	Brenda Rose, CGA	Secretary
	Debra Feltham, FCGA	Treasurer

Administrative Services Sector

Finance/Audit and Local Office

Chair: Tammy Drew, CGA
Members: Stacey Silver, CGA
Debra Feltham, FCGA
Michael Kennedy, CGA

Education Sector

Education and Student Service Committee

Chair: Ceanne White, CGA
Members: Michael Kennedy, CGA
Brenda Rose, CGA
Stacey Silver, CGA

Member Services Sector

Member Services/Professional Development Committee

Chair: Brenda Rose, CGA
Members: Tammy Drew, CGA
Michael Kennedy, CGA
Shelly, Traverse, CGA

Public Services Sector

Public Practice

Chair: Debra Feltham, FCGA
Members: Max Porter, FCGA
Terry Hutchings, FCGA
Morris Pinsent, CGA
Todd Organ, CGA
Leonard Harvey, CGA

CGA NL National Representatives 2013/2014

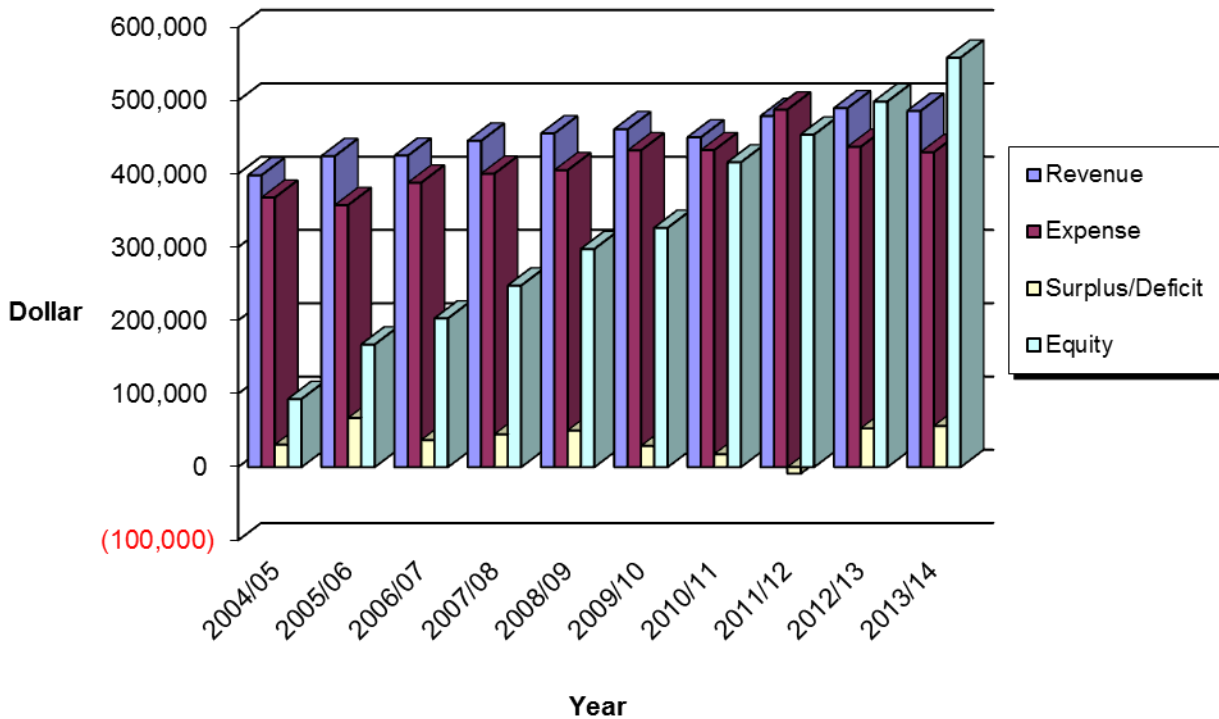
Ceanne White, CGA	CGA Canada Affiliation Council
Michael Kennedy, CGA	CGA Canada Affiliation Council
Debra Feltham, FCGA	National Professional Standards Committee (NPC)
Ceanne White, CGA	National Education Committee (NEC)

Financial Statements

The financial statements of CGA Newfoundland and Labrador for the year ended June 30, 2014, show a surplus of \$56,210, compared to a surplus of \$52,761 for the year ended June 30, 2013.

For 2013/2014, CGA Newfoundland and Labrador had originally projected a small surplus budget with revenues of \$456,509 and expenditures of \$455,916. The Audited results indicate revenues of \$485,892 and expenditures of \$429,682. As mentioned previously, higher education revenues and lower salary costs contributed to the larger than budgeted surplus.

**CGA Revenue, Expense and Equity for the 10 Year Period
Ending June 30, 2014**



Membership Fees

CGA Newfoundland and Labrador increased the provincial portion of the active membership fees in 2013/14. Membership fees for the period 1998/99 to 2013/2014 are as follows:

	CGA Newfoundland	CGA Canada	Total
1998/1999	440	205	645
1999/2000	490	210	700
2000/2001	485	215	700
2001/2002	485	215	700
2002/2003	485	215	700
2003/2004	485	215	700
2004/2005	485	215	700
2005/2006	485	230	715
2006/2007	485	245	730
2007/2008	485	245	730
2008/2009	485	265	750
2009/2010	485	270	755
2010/2011	505	275	780
2011/2012	505	285	790
2012/2013	540	300	840
2013/2014	580	306	886

Membership Statistics

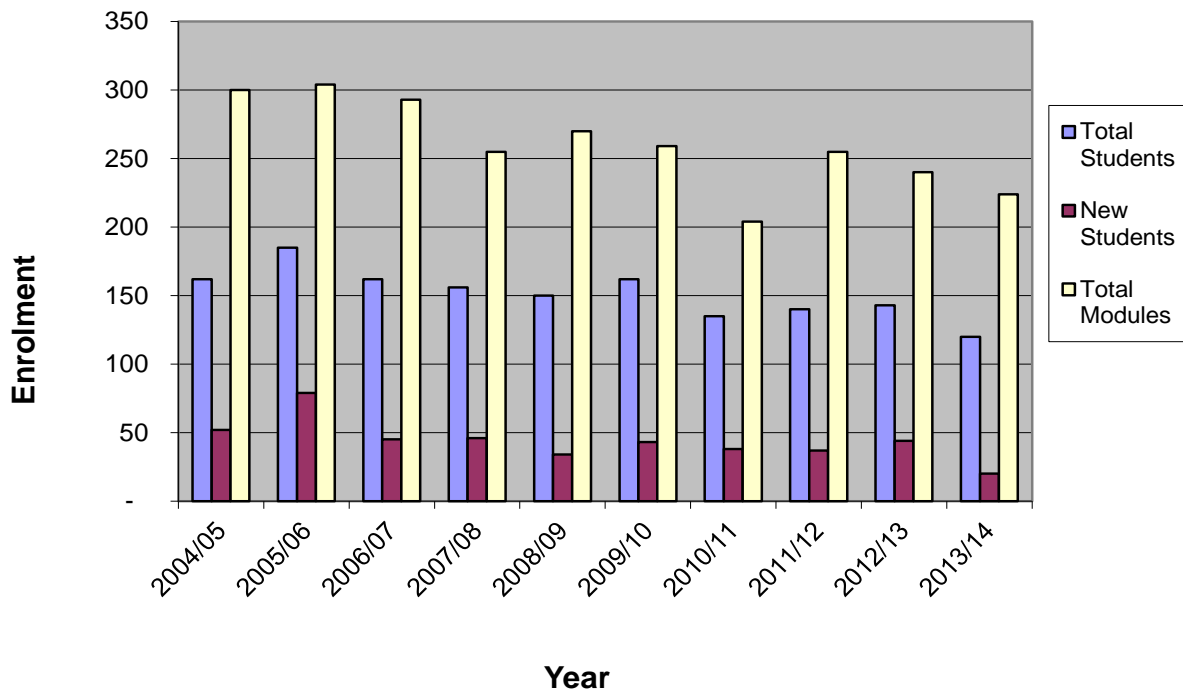
Membership statistics for 2013/2014 are as follows:

Membership, July 1, 2013	451	(353 active, 84 inactive, 3 associate, 4 international and 7 life members)
Admitted to Membership	12	
Member Transfers to Newfoundland	9	
Members Transferred out	(2)	
Inactive Member Resigned	(1)	
Members Resigned	(4)	
Membership, June 30, 2014	<u>465</u>	(359 active, 92 inactive, 3 associate, 4 international and 7 life members)

Student Enrolment Statistics

Student enrolment for 2013/14 was 120 students (including 20 new students) and 224 modules. This decrease in enrolment from the prior year was expected, as the final intake of new students was September 2013.

CGA NL Enrolments - 10 year summary



Admission to Membership Ceremony

Seven new members were formally accepted into membership in the Certified General Accountants Association at the Admission to Membership Ceremony in St. John's on October 5th, 2013.

Tim Ausum, CGA	St. John's
Colleen Baker, CGA	St. John's
Angela Burke, CGA	St. John's
Joe Cardoulis, CGA	Mt. Pearl
Nigel Cose, CGA	St. John's
Dena Pieroway-Wight, CGA	Pasadena
Melissa Squires, CGA	Outer Cove

Scholarships

CGA Newfoundland and Labrador awarded scholarships to students enrolled in post-secondary institutions in the province. The Faculty of Business at Memorial University received a \$1,000 cash award and a \$1,500 CGA course credit. Four Campuses of the College of the North Atlantic offering Business Management/Accounting each received a \$400 cash award and \$600 CGA course credit.

Awards of Excellence Awards

CGA Newfoundland and Labrador Awards of Excellence were presented at the Admission to Membership Ceremony on October 5, 2013. The following student was presented with the award:

Financial Accounting 1	Matthew March
Financial Accounting 2	Sean Conway
Financial Accounting 3	Sean Conway
Financial Accounting 4	Xiaowan Yao

Victor Batstone Award

The *Victor Batstone Award* was established in 1986 in honour of Victor Batstone, the first CGA in Newfoundland and Labrador. The award, presented annually by CGA Newfoundland and Labrador, acknowledges overall academic achievement on the CGA program. Colleen Baker was presented with the Victor Batstone Award at the Admission to Membership Ceremonies on October 5, 2013.

CGA Newfoundland and Labrador Gary Bourne Award

In honour of the late Gary Bourne, CGA, a past president and dedicated member of the Association, CGA Newfoundland and Labrador established the Gary Bourne Award in 1998. The award recognizes members of CGA Newfoundland and Labrador who have provided significant contributions to the Association at the Committee, Chapter and/or Board level. CGA Newfoundland and Labrador presented the Gary Bourne Award for 2013 to Fern Mitchelmore, CGA at the Admission to Membership and Presentation of Awards Ceremony on 5 October 2013. Lois Bourne, wife of the late Gary Bourne, presented the award.

Raymond White Award

The *Raymond White Award* was established in 2008 in honour of Raymond White. This award, presented annually by CGA Newfoundland and Labrador, acknowledges the highest academic achievement in Tax 2. Dena Pieroway-Wight was presented with the Raymond White Award at the Admission to Membership Ceremonies on October 5, 2013.

Fellow Certified General Accountant Designation

Mr. Peter Winters, FCGA was presented with the fellowship designation at the admission to membership ceremonies on October 5, 2013.

President's Christmas Party

The CGA NL Christmas Party was held on December 5, 2013 at the Bungalow in St. John's.

Member and Volunteer Recognition Ceremony

On April 10, 2014, CGA NL hosted a Member and Volunteer Recognition ceremony at the Fluvarium. CGA NL Chair Michael Kennedy, CGA presented 10, 15, 20, 25, 30, 35 and 40 year membership recognition awards to members as per below:

40 yr - 1

35 yr – 3

30 yr – 15

25 yr – 8

20 yr – 4

15 yr – 15

10 yr - 11

CGA NL also celebrated the contribution of its volunteers. All members and students serving on committees and providing other assistance to the Association were acknowledged for their valuable service to the Association.

Registered Public Practitioners

The CGA Association of Newfoundland and Labrador currently has forty one (41) registered public practitioners with thirty three (33) members licensed by the PALB. Each fiscal year the Association actively canvasses its members in the interest of the Association and the general public to ensure those in public practice are meeting the requirements of, and are properly registered with, the CGA Association and where applicable the Public Accountants Licensing Board (PALB).

The CGA Public Practice Committee, in cooperation with its members and the Board of Governors, is actively administering the Public Practice mandate of the Association to ensure its members abide by the policies established by the Association and the PALB. The CGA Association continues to address the requirements that are mandated for the right to be involved in Public Practice, in the interest of the CGA profession and the general public.

Current registered public practitioners:

NAME	Firm Name	CITY/TOWN
Renee Atwood, CGA	Bussey Porter Hetu, CGAs	Conception Bay South
Anthony R. Baggs, CGA	Sooley Accounting & Consulting Ltd.	St. John's
Richard Bartlett, CGA	Pinsent & Associates	St. John's
Sandra D. Bishop, FCGA		St. John's
Claude Blagdon, CGA	Blagdon, Tilley & Co.	Conception Bay South
David Brighton, CGA	Andrews & Co.	Ottawa, ON
Derek Burt, CGA	Derek Burt, CGA	Clareville
Roland Burt, CGA	Roland Burt, CGA	Corner Brook
Douglas G. Bussey, CGA	Smith, Bussey, Muir	Mt. Pearl
Nigel Cose, CGA	Smith, Bussey, Muir	Mt. Pearl
Calvin J. Dawe, CGA	Calvin J. Dawe & Associates	Bay Roberts
Michael Duah, CGA	Micheal Duah, CGA	St. John's
Kevin P. Dwyer, CGA	Blagdon, Tilley & Co.	St. John's
Debra J. Feltham, FCGA	Feltham & Associates, CGAs	Mount Pearl
Randy Fequet, CGA	Randy Fequet, CGA	Labrador
Steven Gilbertson, CGA	Steven Gilbertson, CGA	Woodstock, ON
Leonard Harvey, CGA	Harvey's Accounting Services	Springdale
A. Terrance Hutchings, FCGA	Terrance Hutchings, FCGA	Corner Brook
Jenine Janes, CGA	Janes & Company	Labrador City
Gerald E. Kirby, CGA	Kirby & Company	St. John's
Christine Lony, CGA	Christine Lony, CGA	
Timothy Malleau, CGA	Andrews & Co.	Ottawa, ON
Deborah A. Muir, CGA	Smith, Bussey, Muir	Mt. Pearl
Gerry Murphy, CGA	Gerald Murphy, CGA	Mount Pearl
Todd Organ, CGA	Percy and Drodge, Cas	Clareville
Ivano Petricia, CGA	Ivano Petricia, CGA	Maple, ON
Sharon Patten, CGA	Sharon Patten, CGA	Grand Bank
Albert Guy Penney, CGA	Penney and Company	Mount Pearl
A. Morris Pinsent, CGA	Pinsent & Associates	St. John's
Maxwell C. Porter, FCGA	Porter Accounting Services	Grand Falls -Windsor
Parminder Singh, CGA	Parminder Singh, CGA	Brampton, ON
Kenneth E. Smith, CGA	Smith, Bussey, Muir	Mt. Pearl
R. Bruce Smith, FCGA	Smith, Bussey, Muir	Mt. Pearl
Wayne R. Sooley, CGA	Sooley & Associates	Mt. Pearl

P. Keith Tilley, CGA	Blagdon, Tilley & Co.	Kelligrews
Shirley Tom, CGA	Shirley Tom, CGA	Brampton, ON
Douglas J. Tuck, CGA	Calvin J. Dawe & Associates	Bay Roberts
Peter Winters, FCGA	Noseworthy Chapman, CAs	St. John's

Public Accountants Licensing Board

The Public Accountants Licensing Board (PALB) is comprised of nine members as follows; two CGAs, two CAs, two CMAs and three public representatives. The PALB's mandate is to grant licenses under their act and to keep and publish the Roll of Public Accountants in Newfoundland and Labrador. It is anticipated that once CPA legislation is passed in the House of Assembly, the responsibilities of the PALB will be absorbed by CPA NL.

Marketing and Partnering Activities

Marketing activities were curtailed starting in January 2013 as CGA NL rejoined merger discussions. The Association worked with the Society of Management Accountants of Newfoundland and Labrador (CMA-NL) and the Institute of Chartered Accountants of Newfoundland and Labrador (ICANL) on joint marketing for Chartered Professional Accountants (CPA).

St. John's Board of Trade

CGA Newfoundland and Labrador continues to be an active member of the St. John's Board of Trade. The Board currently represents 800 companies employing 20,000 people. CGA-NL was represented at various Board of Trade functions and had a booth in their trade show January 2013.

Representatives of the Association attended various luncheons and networked with stakeholders.

Chartered Accountant's Convocation

In February 2014 CGA NL Chair, Michael Kennedy, CGA attended the Institute of Chartered Accountants of Newfoundland Convocation and FCA Celebration on behalf of CGA Newfoundland and Labrador.

Society of Management Accountant's Convocation

In November 2013 CGA NL Chair, Michael Kennedy, CGA attended the Society of Management Accountants of Newfoundland Convocation on behalf of CGA Newfoundland and Labrador.

National and Interprovincial CGA meetings

Ceanne White, CGA, Michael Kennedy, CGA and Tammy Drew, CGA also represented the Association at the CGA Canada Affiliate Council meetings.

**THE
CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION
OF NEWFOUNDLAND AND LABRADOR**

Financial Statements

Year Ended June 30, 2014

**THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF NEWFOUNDLAND AND
LABRADOR**

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Year Ended June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Certified General Accountants Association of Newfoundland and Labrador

We have audited the accompanying financial statements of The Certified General Accountants Association of Newfoundland and Labrador, which comprise the statement of financial position as at June 30, 2014 and the statements of revenues and expenditures, fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report to the Members of The Certified General Accountants Association of Newfoundland and Labrador *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Certified General Accountants Association of Newfoundland and Labrador as at June 30, 2014 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.

St. John's, Newfoundland and Labrador
October 22, 2014


CERTIFIED GENERAL ACCOUNTANTS

**THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF NEWFOUNDLAND AND
LABRADOR**

Statement of Revenues and Expenditures

Year Ended June 30, 2014

	Budget 2014	2014	2013
REVENUE			
Membership fees	\$ 212,770	\$ 206,851	\$ 201,698
Course fees	150,000	147,821	154,377
Student registration fees	43,199	51,920	58,000
Seminar fees	40,980	37,933	33,703
Other education fees	-	24,199	32,475
Peer review fees	7,280	7,800	7,280
Graduation tickets	-	2,450	2,160
	454,229	478,974	489,693
EXPENDITURES			
Salaries and wages	130,663	105,113	97,862
CGA Canada education fees	118,740	71,577	86,641
Direct course expenditures	-	50,660	52,794
Annual conference and professional development	22,150	38,030	23,015
Rental	25,278	30,922	24,626
Office	12,900	14,473	17,527
Bank charges	12,649	14,243	14,035
Travel	26,200	14,186	10,930
Information technology expense	12,685	12,209	12,146
Professional fees	37,250	8,775	20,058
Advertising and promotion	27,410	8,593	10,238
Contract services	-	7,381	24,766
Insurance	4,900	5,123	5,119
Telephone	4,320	3,643	3,909
Scholarships	4,400	3,000	4,600
Gifts	2,125	1,590	1,328
Journal and publications	4,075	1,531	6,090
Bad debts	-	1,006	2,532
Amortization	1,421	394	1,421
Memberships	250	185	179
Chapter grants	1,500	-	-
	448,916	392,634	419,816
INCOME FROM OPERATIONS	5,313	86,340	69,877
OTHER INCOME			
Loss on disposal of assets	-	(2,987)	-
Interest income	2,280	6,918	525
CPA merger expense (Note 4)	(7,000)	(34,061)	(17,641)
	(4,720)	(30,130)	(17,116)
EXCESS OF REVENUE OVER EXPENDITURES	\$ 593	\$ 56,210	\$ 52,761

The accompanying notes are an integral part of these financial statements

THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF NEWFOUNDLAND AND
LABRADOR

Statement of Financial Position

June 30, 2014

	<i>June 30</i> 2014	<i>June 30</i> 2013
ASSETS		
CURRENT		
Cash	\$ 107,957	\$ 63,929
Term deposits	277,079	270,395
Receivables	66,950	57,364
Prepaid expenses	5,146	2,125
	457,132	393,813
PROPERTY AND EQUIPMENT <i>(Note 5)</i>	1,578	4,958
INTANGIBLE ASSETS <i>(Net of accumulated amortization) (Note 6)</i>	4	4
CPA UNIFICATION FUND <i>(Note 7)</i>	100,000	100,000
	\$ 558,714	\$ 498,775
LIABILITIES AND FUND BALANCES		
CURRENT		
Payables and accruals	\$ 48,387	\$ 48,019
Harmonized sales tax payable	9,539	6,178
	57,926	54,197
FUND BALANCES	500,788	444,578
	\$ 558,714	\$ 498,775

On behalf of the Association

_____ Governor

_____ Governor

The accompanying notes are an integral part of these financial statements

**THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF NEWFOUNDLAND AND
LABRADOR**

Statement of changes in Fund Balances

Year Ended June 30, 2014

	2013 Balance	Excess of Revenues over Expenditures	Contributions	Withdrawals	2014 Balance
General Fund	\$ 214,537	\$ 56,210	\$ -	\$ -	\$ 270,747
Discipline Fund	72,000	-	-	-	72,000
Scholarship Fund (Note 8)	4,600	-	-	-	4,600
Capital Fund	5,000	-	-	-	5,000
Education Fund (Note 9)	48,441	-	-	-	48,441
CPA Unification Fund	100,000	-	-	-	100,000
	\$ 444,578	\$ 56,210	\$ -	\$ -	\$ 500,788

	2012 Balance	Net Income	Contributions	Withdrawals	2013 Balance
General Fund	\$ 272,776	\$ 52,761	\$ -	\$ (111,000)	\$ 214,537
Discipline Fund	61,000	-	11,000	-	72,000
Scholarship Fund	4,600	-	-	-	4,600
Capital Fund	5,000	-	-	-	5,000
Education Fund	48,441	-	-	-	48,441
CPA Unification Fund	-	-	100,000	-	100,000
	\$ 391,817	\$ 52,761	\$ 111,000	\$ (111,000)	\$ 444,578

The accompanying notes are an integral part of these financial statements

**THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF NEWFOUNDLAND AND
LABRADOR**

Statement of Cash Flows

Year Ended June 30, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 56,210	\$ 52,761
Items not affecting cash:		
Amortization of property, plant and equipment	394	1,421
Loss on disposal of assets	2,987	-
	59,591	54,182
Changes in non-cash working capital:		
Receivables	(9,586)	2,827
Payables and accruals	367	(7,162)
Prepaid expenses	(3,021)	13,935
Harmonized sales tax	3,361	(441)
	(8,879)	9,159
Cash flow from operating activities	50,712	63,341
INVESTING ACTIVITY		
Investment in CPA Unification Fund <i>(Note 7)</i>	-	(100,000)
INCREASE (DECREASE) IN CASH FLOW	50,712	(36,659)
Cash - beginning of year	334,324	370,983
CASH - END OF YEAR	\$ 385,036	\$ 334,324

The accompanying notes are an integral part of these financial statements

**THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF NEWFOUNDLAND AND
LABRADOR**

Notes to Financial Statements

June 30, 2014

1. NATURE OF OPERATIONS

The Certified General Accountants Association of Newfoundland and Labrador (CGA NL) is a self-governing body of professional accountants incorporated under the Certified General Accountants Act, 2008, Chapter C-6.1.

CGA NL is affiliated directly with the national body, CGA Canada.

The Association is not subject to income tax under section 149(1) of the Income Tax Act of Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for Not for Profit organizations.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not for profit enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

Member fees and other revenues are recognized in the year to which they relate.

Contributed Services

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

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized at rates calculated to write off the assets over their estimated useful lives as indicated below, except in the year of acquisition when one half of the rate is used.

Equipment	20%	declining balance method
Computer equipment	30%	declining balance method

The Association regularly reviews its property and equipment to eliminate obsolete items.

3. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF NEWFOUNDLAND AND
LABRADOR**

Notes to Financial Statements

June 30, 2014

4. CPA MERGER EXPENSE

	2014	2013
Marketing	\$ 2,297	\$ 7,981
Legal	1,459	9,660
Salaries and recruitment	30,305	-
	\$ 34,061	\$ 17,641

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Equipment	\$ 11,470	\$ 9,892	\$ 1,578	\$ 3,945
Computer equipment	-	-	-	1,013
	\$ 11,470	\$ 9,892	\$ 1,578	\$ 4,958

6. INTANGIBLE ASSETS

Shared Services Facility Inc.

During the fiscal year ended June 30, 2001, CGA Canada together with eight provincial and territorial associations including CGA Newfoundland formed a federally incorporated corporation known as Shared Services Facility Inc. (SSF) for the purpose of operating a shared service facility providing information technology services, including electronic data processing, facilities management, telecommunications and related services to these parties. CGA Newfoundland is a 4.5% shareholder owning 40 shares of the 1,000 shares issued by the corporation at \$.10 each (\$4). SSF now provides the web site, portal interface and content management services previously provided by CGA Canada Online Services Corporation.

7. CPA UNIFICATION FUND

During the fiscal year ended June 30, 2013, the Certified General Accountants of Newfoundland and Labrador (CGA NL), signed a formal agreement to pursue unification with the Institute of Chartered Accountants of Newfoundland and Labrador (ICA NL) and The Certified Management Accountants of Newfoundland and Labrador (CMA NL). The three organizations are working together to form a new accounting body under the name of Chartered Professional Accountants of Newfoundland and Labrador, which would be established by legislation. As part of this commitment, CGA NL made a \$100,000 non refundable investment into the Unification Fund.

8. SCHOLARSHIP FUND

CGA Newfoundland has initiated a program of awards to Memorial University of Newfoundland and the College of the North Atlantic students which provides tuition assistance towards CGA education courses to be taken within three years. The balance of the fund represents the expected cost of the credits that will be utilized.

**THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF NEWFOUNDLAND AND
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Notes to Financial Statements

June 30, 2014

9. EDUCATION FUND

The purpose of the education fund is to provide funding support to identified senior academics in attaining a CGA designation through the CGA Accelerated Study Program, or in supporting advanced research in the area of accounting as part of the completion of a doctorate or other degree. The fund may also provide further opportunity to support current individuals enrolled in a post-secondary institute in Newfoundland and Labrador or in the CGA Newfoundland and Labrador program of professional studies through a scholarship or bursary.

The education fund is an internally restricted fund to be administered by the CGA NL Board exclusively for the above noted purpose. The amount committed is \$48,441.

10. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2014.

Credit risk

Credit risk arises from the potential that a counter party will fail to discharge their financial obligations to the Association. The Association's credit risk derives from cash and short term investments, accounts receivable and investments. The association has a large number of members and students which reduces credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its members and students. The financial instruments that are exposed to liquidity risk are accounts receivable, term deposits and accounts payable.