

**International Fiscal Association
(Canadian Branch)**

**Financial Statements
For the year ended December 31, 2013**

Independent Auditors' Report

To the Members of the International Fiscal Association (Canadian Branch)

Report on the Financial Statements

We have audited the accompanying financial statements of the International Fiscal Association (Canadian Branch) which comprise the statement of financial position as at December 31, 2013 and December 31, 2012 and the statements of operations and fund balances and cash flows for the years 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the International Fiscal Association (Canadian Branch) as at December 31, 2013 and December 31, 2012, and its financial performance and cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants

Kingston, Ontario
May 13, 2014

International Fiscal Association (Canadian Branch)
Financial Statements
For the year ended December 31, 2013

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**International Fiscal Association (Canadian Branch)
Statement of Financial Position**

December 31

2013

2012

Assets

	General Fund	Research Fund	Total	General Fund	Research Fund	Total
Current						
Cash	\$ 30,425	\$ -	\$ 30,425	\$ 38,814	\$ -	\$ 38,814
Temporary investments (Note 1)	1,225,665	707,275	1,932,940	1,253,011	698,392	1,951,403
Accounts receivable	6,775	-	6,775	33,222	-	33,222
Prepaid expenses	30,366	-	30,366	22,354	-	22,354
	\$ 1,293,231	\$ 707,275	\$ 2,000,506	\$ 1,347,401	\$ 698,392	\$ 2,045,793

Liabilities and Fund Balances

Current						
Accounts payable and accrued liabilities (Note 2)	\$ 6,983	\$ -	\$ 6,983	\$ 21,106	\$ -	\$ 21,106
Deferred revenue	17,735	-	17,735	51,465	-	51,465
HST payable	1,520	-	1,520	-	-	-
	26,238	-	26,238	72,571	-	72,571
Fund balances						
Unrestricted	1,266,993	-	1,266,993	1,274,830	-	1,274,830
Internally restricted	-	707,275	707,275	-	698,392	698,392
	\$ 1,293,231	\$ 707,275	\$ 2,000,506	\$ 1,347,401	\$ 698,392	\$ 2,045,793

On behalf of the Board:

President

Treasurer

International Fiscal Association (Canadian Branch) Statement of Operations and Fund Balances

For the year ended December 31

	General Fund		Research Fund	
	2013	2012	2013	2012
Membership				
Memberships	\$ 136,058	\$ 129,570	\$ -	\$ -
Membership to Central IFA	<u>(80,096)</u>	<u>(63,960)</u>	-	-
	\$ 55,962	\$ 65,610	-	-
Seminar				
Revenue	137,374	111,063	-	-
Expenditures	<u>(102,317)</u>	<u>(103,138)</u>	-	-
	35,057	7,925	-	-
Lectureship				
Revenue	39,720	42,598	-	-
Expenditures	<u>(52,239)</u>	<u>(71,745)</u>	-	-
	(12,519)	(29,147)	-	-
Other revenue				
Investment income	16,196	15,375	8,883	8,957
Other	-	650	-	-
	16,196	16,025	8,883	8,957
Expenditures (Schedule 1)	-	-	-	32,562
	<u>102,533</u>	<u>95,441</u>	-	-
Excess of revenue over expenditures (expenditures over revenue) for the year	(7,837)	(35,028)	8,883	(23,605)
Fund balance, beginning of year	<u>1,274,830</u>	<u>1,309,858</u>	<u>698,392</u>	<u>721,997</u>
Fund balance, end of year	\$ <u>1,266,993</u>	\$ <u>1,274,830</u>	\$ <u>707,275</u>	\$ <u>698,392</u>

**International Fiscal Association (Canadian Branch)
Statement of Cash Flows**

For the year ended December 31

	General Fund		Research Fund	
	2013	2012	2013	2012
Cash flows from operating activities				
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ (7,837)	\$ (35,028)	\$ 8,883	\$ (23,605)
Changes in non-cash working capital balances				
Accounts receivable	26,447	1,088	-	-
Prepaid expenses	(8,012)	(11,495)	-	-
Accounts payable and accrued liabilities	(14,123)	13,034	-	-
HST payable	1,520	1,234	-	-
Deferred revenue	(33,730)	(9,990)	-	-
	<u>(35,735)</u>	<u>(41,157)</u>	<u>8,883</u>	<u>(23,605)</u>
Cash flows from investing activities				
Net decrease (increase) in temporary investments	27,346	(1,052)	(8,883)	23,605
Increase in cash and cash equivalents, during the year	(8,389)	(42,209)	-	-
Cash and cash equivalents, beginning of year	38,814	81,023	-	-
Cash and cash equivalents, end of year	\$ 30,425	\$ 38,814	\$ -	\$ -
Represented by:				
Cash - General Fund	\$ 30,425	\$ 38,814	\$ -	\$ -

International Fiscal Association (Canadian Branch) Summary of Significant Accounting Policies

December 31, 2013

Nature of Business	The International Fiscal Association (Canadian Branch) (the "association"), incorporated under Part III of the Quebec Companies Act, operates as a non-profit organization specializing in the study of international tax laws.
Basis of Accounting	These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
Temporary Investments	Temporary investments include long-term deposits and guaranteed investment certificates (GICs) and are recorded at fair value.
Fund Accounting	The association follows the restricted fund method of accounting for contributions.
General Fund	The General Fund was established to fund general activities of the association.
Research Fund	The Research Fund was established to make contributions towards and to fund research projects in international taxation. These funds are available for unrestricted purposes with the approval of the Board of Directors.
Income Taxes	The association is a non-profit organization and is exempt from income tax under Paragraph 149(1)(l) of the Canadian Income Tax Act.
Revenue Recognition	Membership fees are recognized in the fiscal year to which they pertain. Seminar and lecture fees are recognized in the year of the event.
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on deposit and short-term investments with a short maturity of approximately three months or less from the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

International Fiscal Association (Canadian Branch) Summary of Significant Accounting Policies

December 31, 2013

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Estimates have been made by the coordinating council within these financial statements primarily in relation to accounts receivable, prepaid expenses and accounts payable and accrued liabilities, and HST payable.

These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in the periods in which they become known.

Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

International Fiscal Association (Canadian Branch) Notes to Financial Statements

December 31, 2013

1. Temporary Investments

	2013	2012
Term deposits and Guaranteed investment certificates	\$ 1,932,940	\$ 1,951,403
General Fund	1,225,665	1,253,011
Research Fund	707,275	698,392
	\$ 1,932,940	\$ 1,951,403

2. Accounts Payable and Accrued Liabilities

	2013	2012
Accounts payable and accrued liabilities	\$ 1,533	\$ 13,846
HST/QST payable	-	2,060
Accruals	5,450	5,200
	\$ 6,983	\$ 21,106

3. Membership

The geographic breakdown of the membership of the association is as follows:

	2013	2012
Ontario	364	352
Quebec	178	158
British Columbia	75	74
Alberta	93	73
Other countries	5	10
Maritimes	6	6
Manitoba	2	2
Saskatchewan	2	2
Yukon	-	1
	725	678

International Fiscal Association (Canadian Branch) Notes to Financial Statements

December 31, 2013

4. Financial Instruments

Market and interest rate risk

The risks associated with the investments are the risks associated with the securities in which the funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of investments.

International Fiscal Association (Canadian Branch)
Schedule 1 - General and Research Funds Expenditures

For the year ended December 31

	General Fund		Research Fund	
	2013	2012	2013	2012
Audit fees	\$ 5,450	\$ 5,200	\$ -	\$ -
Bank charges	2,980	3,624	-	-
Congress	30	737	-	-
Contributions to CTF	-	-	-	15,000
Donations	-	-	-	8,000
Insurance	3,673	3,616	-	-
Meetings	3,038	7,676	-	-
Member Support	3,105	12,286	-	-
Printing, postage and administration	14,559	5,827	-	-
Publication of seminar papers	4,407	-	-	-
Research projects	-	-	-	9,562
Secretarial fees	52,000	39,730	-	-
Website expenses	6,000	11,390	-	-
Webinar expenses	7,291	5,355	-	-
Total expenditures	\$ 102,533	\$ 95,441	\$ -	\$ 32,562