



We see more than numbers.

**2011/2012 Annual Report**

**of the**

**Certified General Accountants Association**

**of Newfoundland and Labrador**

On behalf of the Board of Directors, it is my privilege to present the 2011/2012 Annual Report of the Certified General Accountants Association of Newfoundland and Labrador to the October 26<sup>th</sup>, 2012 Annual General Meeting.

**Debra Feltham, FCGA**  
**Chair**

## Chair's Report

2011 - 2012 was a year that brought significant potential change -- and then little change. Last fall we commenced the year with an entry into merger talks with our professional counterparts in Newfoundland and Labrador following the entry of Ontario into merger talks in August 2011 and several other of the affiliates across the country shortly thereafter. Following the signing of an agreement to enter into the merger discussions with the Chartered Accountants of NL and the Certified Management Accountants of NL in early November; we met regularly to discuss governance, legal and regulatory structure, and operational and management structure.

In February, we released a provincial brochure outlining the broad structure of the merger in Newfoundland, followed by several Town Hall meetings to present and discuss the process in Newfoundland and Labrador and how this would affect our members. CGA NL also met with the government of Newfoundland and Labrador and jointly with the CAs and CMAs in NL, provided an update and discussed how and when we may expect the government of Newfoundland and Labrador's involvement in the process.

Throughout this process we continued to meet regularly with our national CGA counterparts to keep apprised of the process nationally and throughout other provincial jurisdictions. In April, we were informed that there were several serious issues affecting the Ontario negotiations. In early May, Ontario CGA withdrew from all merger talks; and all of the CGA affiliates across Canada met to consider the impact of Ontario's withdrawal. CGA BC, SK, NB, and NS subsequently withdrew from negotiations (CGA MB never entered the discussions). CGA Newfoundland considered the impact of the significant majority of the CGA Canada federation having left merger discussions and subsequently terminated merger discussions in Newfoundland and Labrador. At this time, we notified our counterparts that while we remained committed to national unification of the profession, we could no longer continue with provincial merger discussions due to the current national situation.

The Association's focus then shifted to strategic planning and a realignment of CGA NL priorities following our withdrawal from the merger discussions. We commenced recruitment to hire a full-time marketing and recruitment individual to join the CGA NL team and met with CGA Ontario in June to discuss partnering with them on how we offered the PACE levels of the CGA Program and with our marketing and recruitment efforts. CGA Ontario offered full support in terms of including our students on the PACE levels and above in an interactive "instructor led" weekly seminar format to compliment the self-study currently provided under the CGA program of professional studies. This format greatly enhances the student experience and provides CGA NL with a superior product to offer in our marketplace.

During the past year, CGA NL has also worked with legal counsel on the process for the registration of incorporated Public Practitioner's following the pronouncement of the new PALB Act. The new act enables this legal structure for those offering services to the public under the PALB Act. This registration process is now complete for our members.

Financially, CGA NL ended the year with an operating deficit of \$4,400. Significant variants to the budget included reduced revenues from education and from the conference registration with additional expenditures for the investment in communications and travel for the merger discussions.

A donation from the CGA NL Education Foundation reflects the decision of the Board to re-invest the funds originally donated from CGA NL for the restricted purpose of supporting educational initiatives with senior academics and post-secondary students in NL. This decision was made considering the desire for transparency of intent and with the challenge of maintaining sufficient volunteer support to fulfill the role of an additional board beyond the CGA NL Board of Governors.

With the completion of my term as Chair of CGA NL, I would like to take this opportunity to thank the Board for their continued support during the past year. I would also like to personally thank our Executive Director, Fern Mitchelmore, for her dedication throughout this past year and with all of the "changing gears" that was required. Special thanks also to our office staff, Dianna Perry and Judith Pardy for their support to Fern, the Board, CGA members and Students in fulfilling the mandate of CGA NL.

**Respectfully yours,**

**Debra J. Feltham, FCGA**

### ***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. 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 Directors 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.

**2011/2012 Board of Directors**

Debra Feltham., FCGA	Chair Affiliate Council Representative
Ceanne White, B. Comm., CGA	1st Vice-Chair National NEC Representative
Tammy Drew, CGA	2 <sup>nd</sup> Vice-Chair
Stacey Silver, B. Comm., CGA	Treasurer
Michael Kennedy, B. Comm., CGA	Secretary
Kevin Antle, B. Comm., CGA	Governor
Dale Park, BBA, CGA	Governor
Wendy Hacket, BAccS, CGA	Governor
Angela Giles, BAccS., CGA	Governor
Tracy Madore, B. Comm., CGA	Governor
David R. White, B. Comm., FCGA	Governor
Barry W. Sheppard, B. Comm.	Public Representative
Don Anthony, B. Comm., M.M.M., LL.B	Public Representative
Derek Sullivan, BA	Pubic Representative

**EXECUTIVE COMMITTEE**

Chair:	Debra Feltham, FCGA	Chair
Members:	Ceanne White, CGA	1 <sup>st</sup> Vice Chair
	Tammy Drew, CGA	2 <sup>nd</sup> Vice Chair
	Michael Kennedy, CGA	Secretary
	Stacey Silver, CGA	Treasurer

**Discipline Committee**

Chair: Brenda Rose, CGA  
Members: Brian McNamara, CGA  
Terry Hutchings, CGA  
Marilyn Best, CGA  
Morris Pinsent, CGA  
Cyril Morgan, CGA

**Audit Committee**

Chair: Kevin Antle, CGA  
Members: Barry Sheppard Public Representative  
Stacey Silver, CGA

**Administrative Services Sector**

**Finance and Local Office**

Chair: Ceanne White, CGA  
Members: Michael Duah, CGA  
Kevin Antle, CGA  
Stacey Silver, CGA

**Marketing / Student Recruitment Committee**

Chair: Tracy Madore, CGA  
Members: Michelle George, CGA  
Carla Bradbury, CGA  
Debra Feltham, FCGA  
Yao Xiaowan

**Education Sector**

**Education and Student Service Committee**

Chair: Angela Giles, CGA  
Members: Leonard Harvey, CGA  
Kristen Douglas, CGA  
Ceanne White, CGA NEC Representative  
Michael Kennedy, CGA

**Member Services Sector**

**Member Services/Professional Development Committee**

Chair: Tammy Drew, CGA  
Members: Wendy Hackett, CGA  
Marilyn Bown, CGA  
Dale Park, CGA  
Joanne White, CGA

**Public Services Sector**

**Public Practice**

Chair: Michael Kennedy, CGA  
Members: Max Porter, FCGA  
Morris Pinsent, CGA  
Michael Duah, CGA  
Terry Hutchings, FCGA  
Sandra Bishop, FCGA NPC Representative  
Len Dillon, CGA  
Debra Feltham, FCGA

**CGA NL National Representatives 2011/2012**

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



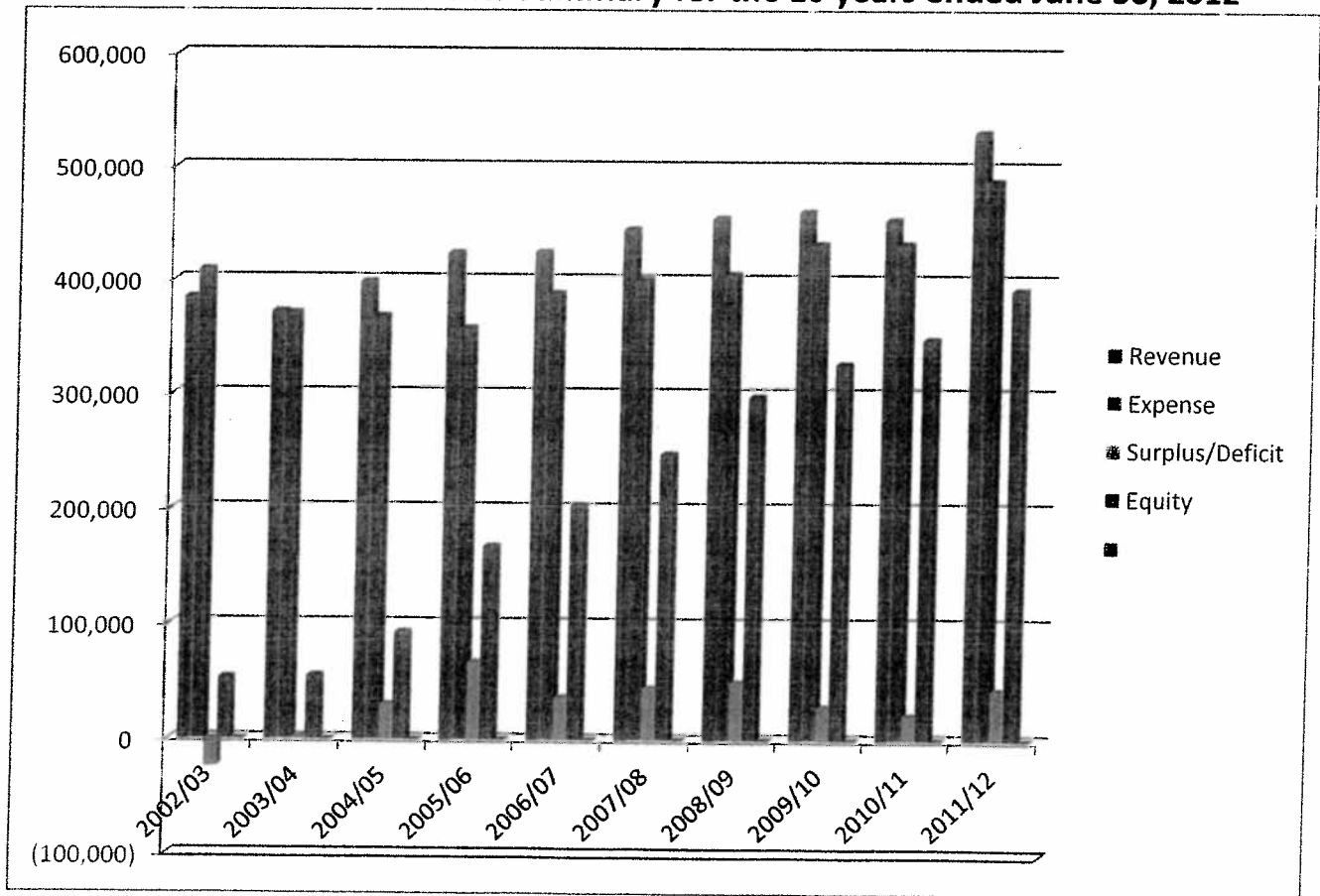
**Financial Statements**

The financial statements of CGA Newfoundland and Labrador for the year ended June 30, 2012, show a surplus of \$43,779 compared to a surplus of \$21,585 for the year ended June 30, 2011. This year's financial statements include a donation from the CGA Education and Scholarship Foundation Inc. in the amount of \$48,441, this donation is restricted for the purposes outlined in Note 8 of the Audited Financial Statements. The overall operations position excluding the note was a deficit of \$4,662.

For 2011/2012, CGA Newfoundland and Labrador had originally projected a small deficit with revenues of \$495,802 and expenditures of \$497,301. The budgeted deficit was the result of aggressive promotions and recruitment activities that had been planned for the year. The resulting deficit was a combination of several factors including a lower than projected participation at last year's conference, as well as unbudgeted costs related to the merger discussions.

A detailed schedule of revenues, expenditures and member equity for the past ten years is included in the following chart.

**CGA NL Financial Statements Summary for the 10 years ended June 30, 2012**



**Membership Fees**

CGA Newfoundland and Labrador did not increase the provincial portion of the active membership fees in 2011/12. Membership fees for the period 1998/99 to 2011/2012 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	260	745
2009/2010	505	270	775
2010/2011	505	275	780
2011/2012	505	285	790

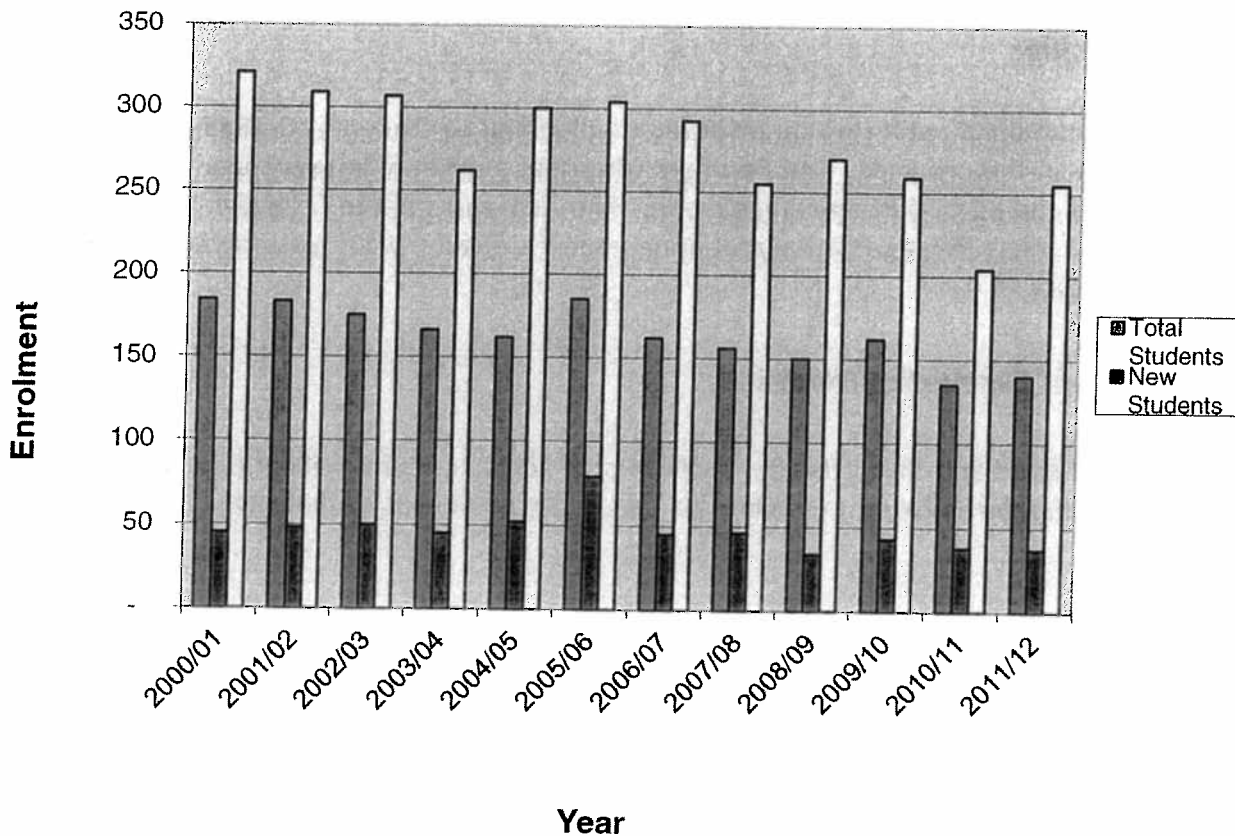
**Membership Statistics**

Membership, July 1, 2011	439	356 active, 69 inactive, 3 associate, 3 international and 8 life members
Admitted 2011-2012	11	
Member Transfers In	2	
Member Transfers Out	-1	
Member Resignations	-5	
Membership June 30, 2012	446	353 active, 76 inactive, 3 associate, 3 international, 8 life members

**Student Enrolment Statistics**

Student enrolment for 2011/12 is 140 students (including 37 new students) and 255 modules. This represents an **increase** in enrolment from last year (from 135 in 2010/11). The number of modules taken by students however continues to decrease from 270 in 2008/09 to 259 in 2009/10 to 255 in 2011/12.

**CGA NL Enrolments Statistics**



### New Members

Thirteen students completed the program of studies during 2011/12 and have been admitted to membership:

Lisa Allen, CGA	Corner Brook
Glen Dolomont, CGA	Corner Brook
Edward Gulliver, CGA	St. John's
Kimberly Humphries, CGA	Paradise
Lisa Hynes, CGA	Torbay
Jeff Locke, CGA	St. John's
Melanie McGrath, CGA	Marystown
Lisa Palermo, CGA	Labrador
Jennifer Robbins, CGA	St. John's
Erin Shaw, CGA	Paradise
Erin Sullivan, CGA	St. John's
Lei You, CGA	St. John's
Jason White, CGA	Paradise

These new members will be formally accepted into membership in the Certified General Accountants Association at the Admission to Membership Ceremony to be held in St. John's on October 27<sup>th</sup>, 2012.

### 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 29, 2011. The following student was presented with the award:

Financial Accounting 1	Ekaterina Slavina
Financial Accounting 2	Ella Warren
Financial Accounting 4	Jason White

### **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. Oluyemi Obigbesan was presented with the Victor Batstone Award at the Admission to Membership Ceremonies on October 29, 2011.

### **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 2011 to Leonard Dillon, CGA at the Admission to Membership and Presentation of Awards Ceremony on 29 October 2011. 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. Lei You was presented with the Raymond White Award at the Admission to Membership Ceremonies on October 29, 2011.

## **Member Services and Events Professional Development Sessions**

*Conference 2011 held at Clovelly Golf*

### **Highlights of Events and Speakers:**

- Business Valuations with Thomas McCallum, FCGA
- Coaching for Performance, Mark Osmond
- Economic Update with Steve Power, CA, Vice President, St. John's Board of Trade
- Change Management, Mark Osmond
- Introduction to Public Practice, Debra Feltham, FCGA
- Incorporating your Professional Practice, with Cox and Palmer
- Technology for Accountants by K2 Enterprises
- Income Tax Update with Thomas McCallum, FCGA
- Your Professional Image; What we say without Words with Michelle Snow
- Goals and Goal Setting, Mark Osmond

### **President's Christmas Party**

The CGA NL Christmas Party was held on December 8, 2011 at the Bungalow in St. John's.

### **Member and Volunteer Recognition Ceremony**

On April 12, 2012, CGA NL hosted a Member and Volunteer recognition ceremony at Clovelly Golf Course. CGA NL Chair Debra Feltham, FCGA presented 10, 15, 20, 25, 30, 35 and 40 year membership recognition awards to members as per below:

40 yr - 8

35 yr - 6

30 yr - 22

25 yr - 19

20 yr - 14

15 yr - 23

10 yr - 34

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 thirty-three (33) registered public practitioners with thirty (30) 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 Public Accountants Licensing Board (PALB).

The CGA Public Practice Committee, in cooperation with its members and the Board of Directors, 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. The Association is aware of changes to the Province's Public Accountancy Act and has taken steps to ensure that the interests of the Association, our members and the public are represented.

Current registered practitioner's includes the following members:

NAME	Firm Name	CITY/TOWN
Renee Atwood, CGA	Feltham Attwood, CGAs	Mount Pearl
Anthony R. Baggs, CGA	Sooley Accounting & Consulting Ltd.	St. John's
Richard Bartlett, CGA	Pinsent & Associates	St. John's
Sandra D. Bishop, FCGA	Sandra Bishop	St. John's
Claude Blagdon, CGA	Blagdon, Tilley & Co.	Conception Bay South
Derek Burt, CGA	Derek Burt, CGA	Clareville
Roland Burt, CGA	Roland Burt, CGA	Corner Brook
Douglas G. Bussey, CGA	Smith, Bussey, Muir	Mt. Pearl
Chris Cavanagh, CGA	Cavanagh Financial Inc.	St. John's
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 Attwood, CGAs	Mount Pearl
Leonard Harvey, CGA	Harvey's Accounting Services	Springdale
Terry R. Hall, CGA		Gander
A. Terrance Hutchings, FCGA	Terrance Hutchings, CGA	Corner Brook
A. Roy Janes, CGA	Janes & Company	Conception Bay South
Jenine Janes, CGA	Janes & Company	Labrador City
Gerald E. Kirby, CGA	Kirby & Company	St. John's

## CGA Newfoundland & Labrador

NAME	Firm Name	CITY/TOWN
Robert P. Lanning, CGA	Walters Hoffe & Company, CAs	Gander
Deborah A. Muir, CGA	Deborah A. Muir, CGA	Mt. Pearl
Gerald Murphy, CGA	Gerald Murphy, CGA	Mount Pearl
John W. Nicholl, CGA	John W. Nicholl, CGA	Mt. Pearl
Albert Guy Penney, CGA	Penney and Company	Mount Pearl
A. Morris Pinsent, CGA	Pinsent & Associates CGA'S	St. John's
Maxwell C. Porter, FCGA	Porter Accounting Services	Grand Falls -Windsor
Kenneth E. Smith, CGA	Smith & Company	Mt. Pearl
R. Bruce Smith, FCGA	Smith, Bussey, Muir	Mt. Pearl
Wayne R. Sooley, CGA	Sooley & Associates	Mt. Pearl
Wilson C. Temple, CGA	Capital Management Fncl Advisors Inc	St. John's
P. Keith Tilley, CGA	Blagdon, Tilley & Co.	Kelligrews
Douglas J. Tuck, CGA	Calvin J. Dawe & Associates	Bay Roberts
Peter Winters, CGA	Noseworthy Chapman, CAs	St. John's



### **Public Accountants Licensing Board**

The Public Accountants Licensing Board (PALB) is comprised of as follows; two CGAs, two CAs, two CMAs and three public representatives. The PALB continues to operate to the mutual benefit of the three accounting bodies in Newfoundland and Labrador. In July of 2011, a new Public Accountants Licensing Board (PALB) Act was passed by the provincial legislature. The PALB outgoing Chair Dr. Alex Faseruk, remained in the role until the new Chair, Bradley Wicks, was appointed in early 2012. The annual meeting between the three accounting bodies and the PALB was therefore cancelled in July 2011.

CGA-NL members on the Public Accountants Licensing Board are A. Terrance Hutchings, FCGA, and Morris Pinsent, CGA

## **Marketing and Partnering Activities**

Marketing plans for 2011 – 2012 were curtailed by the Association as part of the agreement to pursue discussions on the “Unification of the Profession”. Since these discussions have ended for our association, CGA NL budgeted for a new Marketing and Student Recruitment Coordinator for the 2012-2013 budget. This individual has been in place since September 2012.

### **Memorial University of Newfoundland (MUN)**

#### *Career Fair 2012*

CGA-NL had a display at Memorial University’s annual Career Fair in September 2012.

#### *Business Day 2012*

Approximately 250 people gathered at the Fairmont Hotel in St. John’s on March 16, 2012, for the 47th Annual Business Day, a conference organized by the graduating class of the Bachelor of Commerce Co-op Program. CGA Newfoundland and Labrador was an exhibitor at this event. The conference provides the opportunity for business leaders, students, and faculty members to interact and discuss relevant issues in today’s business society.

#### *Contribution to MUN*

CGA Newfoundland and Labrador continues with efforts to enhance our relationship with Memorial University Faculty of Business. In June of 2011 funds of \$10,000 were set aside in a separate fund for the purpose of providing assistance to the Faculty of Business for the renovation of the Undergraduate Student Meeting Rooms. To date work has not begun on this renovation and CGA NL has restricted these funds for the intended purpose.

### **College of the North Atlantic**

#### *Partners’ Recognition Reception*

Representatives of CGA Newfoundland and Labrador attended the College of the North Atlantic Partner’s Recognition Reception in St. John’s on May 30, 2012. CGA Newfoundland and Labrador continues to support the college in its work-term placement program.

#### *Other Events - College of the North Atlantic*

CGA Newfoundland and Labrador made presentations to business students at the College of the North Atlantic campuses throughout the province during the year. Representatives attended award ceremonies at the various campuses to present CGA scholarship awards.

CGA Newfoundland and Labrador continues to recognize the value of the College Business Program and hopes to enhance this relationship further in the upcoming year.

### **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, 2012.

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

### **Chartered Accountant's Convocation**

In February 2012 CGA NL Chair, Ms. Debra J. Feltham, FCGA attended the Institute of Chartered Accountants of Newfoundland Convocation and FCA Celebration on behalf of CGA Newfoundland and Labrador.

### **Certified Management Accountants Convocation**

In November 2011, Ms. Ceanne White, CGA attended the CMA Convocation as the representative from our Association.

### **Junior Achievement Newfoundland and Labrador**

CGA NL continues its support of Junior Achievement of Newfoundland and Labrador. In May 2012, Debra Feltham, FCGA, Board Chair, presented the Financial Management Award at the Junior Achievement Awards banquet.

### **National and Interprovincial CGA meetings**

Debra Feltham, FCGA and Ceanne White, CGA represented the Association at the CGA Canada *Affiliate Council* meetings.

Fern Mitchelmore, CGA attended the Affiliate Council meetings in December, 2011 and June, 2012 as well as meetings for the Chief Staff Officers and Education Directors throughout the year..

### **Executive Director Activities**

The position of Executive Director for CGA NL has numerous responsibilities including the role of Registrar of the Association, Office Manager, Director of Education, Member Services Administrator, and Chief Staff Officer (CSO) who represents the Association at national meetings of Chief Executive Officers and Executive Directors of the provincial Associations.

Throughout the year the Executive Director has attended various national meetings of the Directors of Education, Member Services Administrators, and Chief Staff Officers bringing the voice of CGA Newfoundland and Labrador to the strategic meetings of these various groups.

Locally the Executive Director has been involved in the information sessions provided to College of the North Atlantic students at the St. John's Campus, and Business Students at Sir Wilfred Grenfell Campus of Memorial in Corner Brook. A meeting with the Corner Brook Chapter was held in that City in late Fall of 2011.

During the "Unification of the Profession" discussions the Executive Director sat as a member of the Steering Committee and Office Committee for the entire duration of the discussions. In the late fall and early winter of this past fiscal year, the Executive Director along with the Executive Committee of the Board, made numerous presentations to members around the proposed "Unification of the Profession" including various webinars. The attendance at these events was excellent with over half our members attending an information session or webinar.

Professional development reported by CGA Newfoundland and Labrador Members continues to be reviewed closely. Fines have been administered to members who have not been in compliance with the CPD guidelines of the Association. CGA NL remains committed to providing quality professional development to its members and well as assurance that all members are meeting the CPD requirements.

As Office Manager the Executive Director has taken on the responsibility of the day to day accounting activities of the office as well as the financial reporting to the Board of Governor's. In conjunction with the Treasurer and various Committee Chairs, the budget for 2012-2013 was compiled and presented to the Board of Governor's for approval. The preparation of the information required for the annual audit of the Association is also the responsibility of the Executive Director.

The Executive Director has worked diligently in the best interests of the Association and its members for 2011-2012.

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

**Financial Statements**

**Year Ended June 30, 2012**

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

**Index to Financial Statements**

**Year Ended June 30, 2012**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Operations	3
Statement of Financial Position	4
Statement of Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9
Schedule of Education Revenue and Expenditures ( <i>Schedule 1</i> )	10

---

## 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, 2012 and the statements of operations, 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 generally accepted accounting principles, 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.

(continues)

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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

St. John's, Newfoundland and Labrador  
October 18, 2012

  
CERTIFIED GENERAL ACCOUNTANTS



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

**Statement of Operations**

**Year Ended June 30, 2012**

	Budget 2012	2012	2011
<b>REVENUES</b>			
Membership fees	\$ 189,260	\$ 193,951	\$ 182,258
Course fees	169,609	162,801	149,125
Student registration fees	60,040	58,840	57,390
Other education fees	25,488	32,713	25,828
Seminar fees	41,325	21,583	27,429
Practice review fees	7,980	7,500	7,000
Graduation tickets	2,100	1,680	910
	<b>495,802</b>	<b>479,068</b>	<b>449,940</b>
<b>EXPENSES</b>			
Salaries and wages	150,915	148,961	89,382
CGA Canada education fees	94,105	91,901	79,852
Direct course expenditures	36,239	43,443	56,698
Professional fees	29,700	28,723	17,624
Rental	32,508	23,427	30,757
Advertising and promotion	20,990	23,087	10,594
Conference and professional development	17,950	22,817	14,765
Office	18,166	22,477	14,114
Travel	29,550	21,442	15,996
Bank charges	9,446	13,838	12,925
Information technology expense	13,173	13,132	9,105
Contract services	12,020	7,034	26,704
Journal and publications	5,050	5,353	6,653
Telephone	4,590	4,599	4,234
Insurance	3,375	4,565	4,365
Scholarships	5,650	3,000	4,200
Calendars and student handbooks	3,200	2,340	2,450
Gifts	1,535	2,309	1,171
Bad debts	-	2,120	-
Amortization	5,651	1,693	2,039
Memberships	1,988	1,111	179
Chapter grants	1,500	500	500
Contributions to CGA NL Education and Scholarship Foundation Incorporated	-	-	20,000
Amortization of intangible assets	-	-	8,101
	<b>497,301</b>	<b>487,872</b>	<b>432,408</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER OPERATING EXPENSES</b>	<b>(1,499)</b>	<b>(8,804)</b>	<b>17,532</b>
<b>OTHER INCOME</b>			
Interest income	3,120	4,142	4,053
Education donation (Note 8)	-	48,441	-
	<b>3,120</b>	<b>52,583</b>	<b>4,053</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 1,621</b>	<b>\$ 43,779</b>	<b>\$ 21,585</b>

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, 2012**

	2012	2011
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 588	\$ 8,397
Term deposits	370,395	366,253
Receivables	60,191	15,051
Prepaid expenses	16,060	18,718
	<b>447,234</b>	<b>408,419</b>
PROPERTY AND EQUIPMENT (Note 4)	6,380	7,325
INVESTMENT IN SHARED FACILITIES (Net of accumulated amortization) (Note 5)	4	24
	<b>\$ 453,618</b>	<b>\$ 415,768</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT</b>		
Payables and accruals	\$ 55,182	\$ 65,519
Harmonized sales tax payable	6,619	2,211
	<b>61,801</b>	<b>67,730</b>
FUND BALANCES	<b>391,817</b>	<b>348,038</b>
	<b>\$ 453,618</b>	<b>\$ 415,768</b>

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 Fund Balances**

**Year Ended June 30, 2012**

	2011 Balance	Net Income	Contributions	Withdrawals	2012 Balance
General Fund	\$ 288,438	\$ (4,662)	\$ -	\$ (11,000)	\$ 272,776
Discipline Fund	50,000	-	11,000	-	61,000
Scholarship Fund (Note 7)	4,600	-	-	-	4,600
Capital Fund	5,000	-	-	-	5,000
Education Fund (Note 8)	-	48,441	-	-	48,441
	<b>\$ 348,038</b>	<b>\$ 43,779</b>	<b>\$ 11,000</b>	<b>\$ (11,000)</b>	<b>\$ 391,817</b>

	2010 Balance	Net Income	Contributions	Withdrawals	2011 Balance
General Fund	\$ 266,853	\$ 21,585	\$ -	\$ -	\$ 288,438
Discipline Fund	50,000	-	-	-	50,000
Scholarship Fund	4,600	-	-	-	4,600
Capital Fund	5,000	-	-	-	5,000
	<b>\$ 326,453</b>	<b>\$ 21,585</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 348,038</b>

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, 2012**

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Excess/(deficiency) of revenues over expenses	\$ 43,779	\$ 21,585
Item not affecting cash:		
Amortization of property and equipment	1,693	10,139
	<b>45,472</b>	<b>31,724</b>
Changes in non-cash working capital:		
Receivables	(45,140)	554
Payables and accruals	(10,337)	40,281
Prepaid expenses	2,658	(3,666)
Harmonized sales tax payable (recoverable)	4,408	(2,536)
	<b>(48,411)</b>	<b>34,633</b>
Cash flow from (used by) operating activities	<b>(2,939)</b>	<b>66,357</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(748)	-
Investments in shared facilities	20	-
Cash flow used by investing activities	<b>(728)</b>	<b>-</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(3,667)</b>	<b>66,357</b>
Cash - beginning of year	374,650	308,293
<b>CASH - END OF YEAR</b>	<b>\$ 370,983</b>	<b>\$ 374,650</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 588	\$ 8,397
Term deposits	370,395	366,253
	<b>\$ 370,983</b>	<b>\$ 374,650</b>

The accompanying notes are an integral part of these financial statements

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

**Notes to Financial Statements**

**Year Ended June 30, 2012**

---

**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. COMPARATIVE FIGURES**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Future changes in significant accounting policies

The following accounting standards have been issued by the Canadian Institute of Chartered Accountants (CICA) but are not yet effective for the association. The association is currently evaluating the effect of adopting these standards, which it expects to do in fiscal year 2013.

The Accounting Standards Board will be implementing Part III of the CICA Handbook Accounting Standards for Not-for-Profit Organizations effective January 1, 2012. The association will be assessing the impact of the new standards on its financial statements over the next year. Early adoption is permitted for the new standards.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

*(continues)*

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

**Notes to Financial Statements**

**Year Ended June 30, 2012**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**4. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Equipment	\$ 22,940	\$ 18,008	\$ 4,932	\$ 6,165
Computer equipment	2,698	1,250	1,448	1,160
	<b>\$ 25,638</b>	<b>\$ 19,258</b>	<b>\$ 6,380</b>	<b>\$ 7,325</b>

**5. INVESTMENTS IN SHARED FACILITIES**

Shared Services Facility Inc.

During the fiscal year ended June 30, 2011, 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.

**6. COMMITMENTS**

CGA NL is committed to the following leases:

Lease of office space at a cost of \$20,700 per year. This lease expires August 31, 2013.

Lease of a copier for \$3,250 per year. This lease expires April 15, 2013.

**7. SCHOLARSHIP FUND**

CGA Newfoundland has initiated a program of awards to Memorial University of Newfoundland and College of the North Atlantic students which provide 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  
LABRADOR**

**Notes to Financial Statements**

**Year Ended June 30, 2012**

---

**8. 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 degree or other. The fund may also provide further opportunity to support current Individuals enrolled in a post-secondary institute in Newfoundland or in the CGA Newfoundland program of professional studies through a scholarship or bursary.

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

**9. 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, 2012.

**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.

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

**Schedule of Education Revenue and Expenditures**

*(Schedule 1)*

**Year Ended June 30, 2012**

	<b>2012</b>	<b>2011</b>
<b>REVENUE</b>		
Course fees	\$ 182,801	\$ 149,125
Student registration fees	58,840	57,390
Other education fees	32,713	25,828
	<b>254,354</b>	<b>232,343</b>
<b>EXPENDITURES</b>		
Salaries and benefits	68,788	44,551
Course Materials	21,140	37,613
Exam Fees	29,188	30,756
Module Fees	38,353	20,406
Student Dues	16,819	16,712
Laurentian Fees	5,868	10,223
Marking fees	13,462	9,975
Postage, courier & freight	6,207	8,872
Rent - office	9,953	7,112
Software Licence Fees	3,560	4,201
Visa discounts	5,736	3,914
Exam Expenses	3,955	2,611
SAIT Fees	1,875	1,755
Seminars & Lectures - Students	1,326	1,197
	<b>226,026</b>	<b>199,898</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 28,328</b>	<b>\$ 32,445</b>

The accompanying notes are an integral part of these financial statements