

**REPORT TO THE
LIEUTENANT GOVERNOR-IN-COUNCIL
CONCERNING THE POSITION OF THE FUND
OF THE
PUBLIC ACCOUNTANTS LICENSING BOARD
FOR THE YEAR ENDED
DECEMBER 31, 2010**

PREPARED BY DR. ALEX FASERUK, CHAIR

**REPORT TO THE
LIEUTENANT GOVERNOR-IN-COUNCIL
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OF THE PUBLIC ACCOUNTANTS LICENSING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2010**

In accordance with Section 21 (2) of the *Public Accountancy Act*, I am pleased to submit to the Lieutenant Governor-in-Council a report on the state of the funds administered by the Public Accountants Licensing Board (the Board) for the year ended December 31, 2010. Please be advised that all dollar amounts referred to in this report are unaudited figures but that the Board will, in due course, forward the audited statements as soon as the audit is completed by the Auditor General.

As of December 31, 2010, the Board had a cash balance or guaranteed investment certificates totaling \$50,047, which compares with our December 31, 2009 position of \$49,408. The majority of the Board's revenue came through the licensure of public accountants in Newfoundland and Labrador. The breakdown of licenses for 2010 with comparison to the preceding year is as follows:

	2010	2009
FCA/CA	162	174
FCGA/CGA	42	39
FCMA/CMA	4	4
RPA	2	2
	210	219

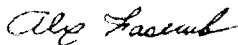
The Board had \$21,000 in revenue generated through licensing fees (210 licenses @ \$100 per license). The Board had nine fewer licenses issued during 2010 which meant a \$900 decrease in licensing revenue over the preceding year. The Board continues to invest cash in GICs with Scotiabank, earning income of \$184 for 2010. The amount of interest income was down substantially from the \$585 earned in 2009 owing to interest rates being at very low levels.

There were substantive decreases in several expense accounts, most notably in honoraria, which decreased from \$7,150 to \$3,835, and travel which decreased from \$6,884 to \$3,915. These decreased expenses were attributable to fewer meetings as the legal sub-Committee had met twice in 2009 to review the proposed *Public Accountants Act* that had been forwarded by Government to the Board. The Board held a special meeting on September 11, 2009 which was in addition to the two statutory meetings that are required in January and July each year. These expenses therefore decreased substantially. With the new *Public Accountants Act* assented to December 22, 2009, the size of the board will be smaller as there will only be two members from each designated accounting body instead of the three current members. The new *Act* also limits honoraria that are paid.

Given the decrease in revenue of approximately \$1,400 between 2009 and 2010 from \$22,585 to \$21,184, and the decrease in expenses of just over \$7,200 from \$25,407 to \$18,197 between these two years, the deficit of (\$2,821) in 2009 became a surplus of \$2,986 in 2010. The usual surplus of the Board was restored.

I trust that you will find the foregoing satisfactory.

Respectfully submitted on behalf of the Public Accountants Licensing Board,



Alex Faseruk
Chair

Public Accountants Licensing Board

Comparative Balance Sheet

	<u>As at 12/31/2009</u>	<u>As at 12/31/2010</u>
ASSET		
Current Assets		
Petty Cash	0.00	0.00
Chequing Bank Account	<u>7,888.24</u>	<u>8,342.95</u>
Total Cash	7,888.24	8,342.95
Investments	41,520.37	41,704.27
Scholarships	0.00	0.00
Accounts Receivable	0.00	0.00
Allowance for Doubtful Accounts	0.00	0.00
Accrued Accounts receivable	<u>1,454.45</u>	<u>0.28</u>
Total Receivable	1,454.45	0.28
Prepaid Expense & Deposits	0.00	0.00
Inventory	<u>0.00</u>	<u>0.00</u>
Total Current Assets	<u>50,863.06</u>	<u>50,047.50</u>
Capital Assets		
Leasehold Improvements	0.00	0.00
Office Furniture & Equipment	0.00	0.00
Accum. Amort. -Furn. & Equip.	<u>0.00</u>	<u>0.00</u>
Net - Furniture & Equipment	0.00	0.00
Total Capital Assets	<u>0.00</u>	<u>0.00</u>
Other Non-Current Assets		
Computer Software	0.00	0.00
Goodwill	0.00	0.00
Incorporation Cost	<u>0.00</u>	<u>0.00</u>
Total Other Non-Current Assets	<u>0.00</u>	<u>0.00</u>
TOTAL ASSET	<u>50,863.06</u>	<u>50,047.50</u>
LIABILITY		
Current Liabilities		
Accounts Payable	0.00	0.00
Simply linked ap acct	0.00	0.00
Accrued liabilities	920.00	920.00
Payable to members	0.00	0.00
Bank Advances	0.00	0.00
Deferred revenue	8,500.00	5,600.00
Corporate Taxes payable	0.00	0.00
HST Charged on Sales	0.00	0.00

HST Paid on Purchases	<u>0.00</u>	<u>-902.18</u>
HST Owing (Refund)	0.00	<u>-902.18</u>
Total Current liabilities	<u>9,420.00</u>	<u>5,617.82</u>
Long Term liabilities		
Bank Loans	0.00	0.00
Mortgage Payable	0.00	0.00
Loans from Owners	<u>0.00</u>	<u>0.00</u>
Total Long Term liabilities	<u>0.00</u>	<u>0.00</u>
TOTAL LIABILITY	<u>9,420.00</u>	<u>5,617.82</u>
EQUITY		
Retained earnings		
Retained Earnings - Previous Year	44,264.87	41,443.06
Current Earnings	<u>-2,821.81</u>	<u>2,986.62</u>
Total retained earnings	<u>41,443.06</u>	<u>44,429.68</u>
TOTAL EQUITY	<u>41,443.06</u>	<u>44,429.68</u>
LIABILITIES AND EQUITY	<u><u>50,863.06</u></u>	<u><u>50,047.50</u></u>

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Public Accountants Licensing Board

Comparative Income Statement

	<u>Actual 01/01/2009 to 12/31/2009</u>	<u>Actual 01/01/2010 to 12/31/2010</u>	<u>Percent</u>
REVENUE			
Revenue			
Revenue	22,000.00	21,000.00	4.76
Miscellaneous income	0.00	0.00	0.00
Interest income	585.58	183.90	218.42
Total Other Revenue	<u>22,585.58</u>	<u>21,183.90</u>	6.62
TOTAL REVENUE	<u>22,585.58</u>	<u>21,183.90</u>	6.62
EXPENSE			
General & Administrative Expenses			
Accounting & Legal	2,350.00	2,786.00	-15.65
Advertising & Promotions	766.80	155.00	394.71
Bad Debts	0.00	0.00	0.00
Courier & Postage	200.59	533.00	-62.37
Honoraria	7,150.00	3,835.00	86.44
Scholarships	0.00	0.00	0.00
Meetings	2,058.03	807.52	154.86
Insurance	492.80	0.00	0.00
Interest & Bank Charges	159.79	197.82	-19.22
Office Supplies	125.00	1,192.79	-89.52
Property Taxes	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00
Secretarial services	5,220.00	3,275.00	59.39
Rent	0.00	1,500.00	-100.00
Repair & Maintenance	0.00	0.00	0.00
Telephone	0.00	0.00	0.00
Travel	6,884.38	3,915.15	75.84
Utilities	0.00	0.00	0.00
Total General & Admin. Expenses	<u>25,407.39</u>	<u>18,197.28</u>	39.62
TOTAL EXPENSE	<u>25,407.39</u>	<u>18,197.28</u>	39.62
NET INCOME	<u>-2,821.81</u>	<u>2,986.62</u>	-194.48

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