

**CMA Newfoundland and Labrador**  
Annual Report 2012-2013



**Certified  
Management  
Accountants™**



### **Purpose**

The Certified Management Accountants of Newfoundland & Labrador is an integral partner of CMA Canada and is the self-governing professional organization that awards the Certified Management Accountant (CMA) designation to qualified candidates in Newfoundland and Labrador.

### **Vision**

The CMA is the designation of choice in Newfoundland & Labrador for accounting professionals in management.

### **Mission**

We develop accounting professionals to optimize enterprise performance. CMA leads the advancement and integration of strategy, management and accounting.

# Message from the Chair and CEO



Arnold Adey, CMA, Chair  
Board of Directors



Mark Bradbury, FCMA, CEO  
CMA-NL

*Possibilities were translated into reality for CMA Newfoundland and Labrador as we strived to achieve our vision of being the designation of choice. Services to members are broader than they have ever been with an expanded slate of professional development offerings and heightened brand and designation awareness. Our investment in marketing to raise the profile of the designation has led to improvements in key leading indicators that will lead to continued growth in the profile of the designation and in the membership. **The CMA designation is not only thriving in Newfoundland and Labrador, but now claims the largest share of new graduates of professional accountants in the province. It is the designation of choice for professional accountants in business. This momentum bodes well as we are working closely with the Institute of Chartered Accountants of NL (ICANL) and the Association of Certified General Accountants of NL (CGA-NL) to merge and create the new Chartered Professional Accountant Designation (CPA) in our province. It is the intention of all parties to integrate each other's greatest strengths and the contribution from both sides will be tremendous.***

## Key Strategic Themes:

Public Trust  
Stakeholder/Partnership  
Excellence  
Program Effectiveness  
CMA Growth  
Member Engagement  
and Pride

## Embracing the Future – Accounting Profession Unification

As the year ends, we also look forward to a bright future. Just over two years ago, in May 2011, Canada's CMA's and CA's began consulting with members about the merits of merging the two designations to establish a new Canadian accounting designation: the Chartered Professional Accountant (CPA). The proposal initiated much discussion throughout the accounting profession and the journey to unification began.

CMA Canada and CICA officially established Chartered Professional Accountants of Canada (CPA Canada) on January 1, 2013, and merged operations on April 1. In late April, CGA Canada and many of its affiliates rejoined the unification discussions. Currently, there are unification initiatives underway in every province, with accounting bodies representing 100% of Canada's professional accountants either committed to unification or already merged under the CPA banner. The timing of unification will depend on the legislative agenda of each provincial government, since regulation of the accounting profession is within the provincial government's jurisdiction.

In NL CA, CGA and CMA members voted in favor of unification in 2012 and a Transitional Steering Committee (TSC) was established by the Boards of CMA-NL, CGA-NL and ICANL. The TSC's role was to determine the details of unification, and assist the provincial government in creating new legislation in order for our members to use the CPA designation. CMA-NL, CGA-NL and ICANL signed a unification agreement on June 20th, 2013 which will allow us to begin working jointly on CPA related activities, such as member events and the new CPA Certification program which begins next fall.

The TSC initiated the selection of a CEO who will be responsible for the planning and operations of the new CPA-NL. The CEO will be supported by the staff of CMA-NL, ICANL and CGA-NL during the transition stage through to the creation of CPA Newfoundland and Labrador.

These are exciting times for the Society, and we are honored to have been part of creating the future.

**“ The CMA designation is not only thriving in Newfoundland and Labrador, but now claims the largest share of new graduates in the province. ”**



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## Stay Tuned

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There continue to be possibilities that are expected to become realities over the coming months. In 2008-09 the CMA-Newfoundland and Labrador Board adopted the National Public Accounting Standard. The Public Accounting Standards committee are providing a provincial framework for members in public practice. While our public practitioners only comprise 10% of the certified membership, they represent the designation to the public every day through their work and have been very supportive of ensuring the CMA Canada National Standard for Public Accounting is upheld in Newfoundland and Labrador.

Our Complaints and Disciplinary committee has been busy ensuring the complaints and disciplinary process is carried out in accordance with the new Certified Management Accountants Act. To provide a process through a disciplinary panel to review, and investigate allegations against the membership with a mandate of making a decision on the validity of the allegation and any warranted disciplinary action.

### **Fast Facts**

**410** Certified Members in Newfoundland and Labrador

**62** Entrance Exam Writers

**151** CMA Candidates and Students

**“ We are providing a provincial framework for members in public accounting. ”**



**“ Being a CMA is one of those things where you can turn it into whatever you want. ”**

Rachel Cuthbert, CMA  
Business Intelligence Analyst, Aritzia LP  
From the national advertising campaign  
Create Possibilities.

# Public Trust/ Stakeholder Excellence

*Public Trust and Stakeholder Excellence is a critical strategic theme for CMA Newfoundland and Labrador. It is the backbone of the organization's key strategy of becoming the voice of management accounting via the creation and dissemination of research content and of positioning CMA as a product leader in applied research. CMA Newfoundland and Labrador contributes greatly towards this research via national assessment dues and input on national committees.*

## CMA Canada Research Foundation

The purpose of the Foundation is to expand the conceptual boundaries of management accounting by generating leading-edge research for CMAs, other management accounting professionals, the business community and prospective members in educational institutions. The flagship product of the Foundation is the Management Accounting Guidelines (MAGs)®. Additional product offerings include Management Accounting Practices (MAPs)® and Emerging Issues Papers (EIPs).

*Through the CMA Research Foundation, CMA Canada ensures that members, the academic community and other professional accountants have access to relevant and contemporary management accounting research and related products.*

In April 2012, CMA Canada launched the new CMA Canada Research and Innovation website ([www.managementaccounting.org](http://www.managementaccounting.org)). As the “source for management accounting knowledge” for CMA members, candidates and other professional accountants in management, the website hosts numerous publications and resources, including Management Accounting Practices (MAP®s), Management Accounting Guidelines (MAGs), Emerging Issues Papers, case studies and webinars. The website also hosts a forum where management accountants can connect to share ideas and best practices. CMA members are encouraged to participate in blog discussions or become guest bloggers. Feedback on the site has been very positive and work has commenced on the second phase to enhance the user experience.







**“ I think that becoming a CMA opens up more employment opportunities because a CMA is capable of handling different things, changing quickly and adapting to any situation. ”**

Josée Roberge, CMA  
Senior Financial Analyst, Hasbro Canada

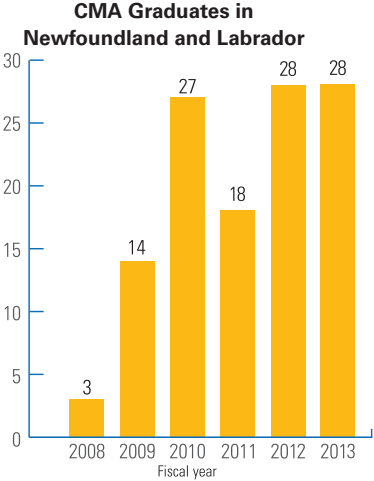
From the national advertising campaign  
Create Possibilities.





# Increase in New Graduates

The demand for the CMA designation in Newfoundland and Labrador remains strong as the number of new graduates will attest. Given that most of our candidates undertake a three-year program of study that includes the 8 or 12-month Accelerated Program, the Entrance Exam and the 18-month Strategic Leadership Program, we can predict, quite reliably, the number of graduates we can expect in the coming year. With the introduction of the Accelerated Program in 2008, we experienced a 93% increase in new graduates with 27 (44% market share) in 2010. In 2011 we had a very respectable graduating class of 18. In the years 2012 and 2013 we again experienced growth with a graduating classes of 28. In 2014 we expect over 40 graduates and in 2015 approximately 65. The CMA designation is truly the designation of choice for professional accountants in business in Newfoundland and Labrador.



# CMA Convocation 2013

A graduation ceremony was held to honour our twenty eight newest members of the Society. In St. John's, all of the graduates received their certificates at an event held in early November at the Capital Hotel with over 200 invited guests, members, and graduates. Our largest attendance yet.

During this ceremony, special recognition was given to the following award winner:

## CMA SLP Highest Achievement Award

» Susan M. Hefferman

The graduates below have worked hard to achieve their designation and we are proud to call them our newest CMAs:



**Front row, from left to right:** David F. Spurvey, CMA; Valerie Robyn Barrett, CMA; Ashley Tarrant, CMA; Xixuan Zhang\*; Renee C. Quilty, CMA; Melissa Mullaly, CMA; Todd T. Decker, CMA

**Middle Row, from left to right:** Sarah Brittain, CMA; Chris Handrigan, CMA; Susan M. Hefferman, CMA; Allison Jane Ryan, CMA; Erica M. Green, CMA; Jennifer Louise Ryan, CMA; Gurman S. Khurana, CMA; Stephanie Ann Pretty, CMA; Candace Diana Short, CMA; Stephen S. Lawlor, CMA; R. Paul Anstey, CMA

**Back row, from left to right:** Amanda Jane Norman, CMA; Joanne Melissa Butt, CMA; Gary R. McDonald, CMA; Mark J. Wells, CMA; Weston Michael Russell Bennett, CMA; Sheldon Christopher Pike, CMA; Joshua Rowe, CMA

**Missing from photo:** Mark Croft, CMA; Sarah Amy Fisher, CMA; Stephen T. North, CMA; John M. Little, CMA

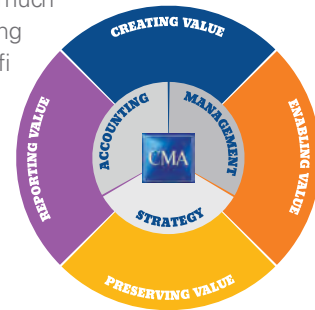
\*Pending practical experience

# Program Effectiveness

*CMA Newfoundland and Labrador continues to offer state-of-the-art, leading-edge programs and professional development materials that are relevant to all target groups.*

## CMA Competency Map

In fiscal 2011–12, the new CMA Competency Map was introduced. As a result, much of the CMA Canada program content is under development to ensure the existing activities and concepts are now aligned with the new Map. These changes significantly affect both the CMA Strategic Leadership Program™ as well as the CMA Executive Program. Program activities and assignments are being rewritten to demonstrate how the learning concepts create value, preserve value, enable value or report value. In addition, the changes to the Map also affected the national Entrance Examination. Testing is now performed on five topic areas (i.e., corporate finance, financial accounting, management accounting, internal control and taxation) instead of on six functional competencies. As a result, it is easier for candidates and instructors to understand the material and relate it to lessons learned.



## Creating Business Leaders

In early 2011, the National Board of Directors adopted a renewed framework for the core competencies for the CMA®. The new CMA Competency Map organizes the diverse skills that a CMA must possess around a common thread: the delivery of value.

**Creating Value:** The design and formulation of strategies, policies, plans, structures and initiatives

**Enabling Value:** The execution of strategy and the planning, implementing, monitoring and improving of supporting processes

**Preserving Value:** The protection of value against strategic and operational risks

**Reporting Value:** The transparent communication of the delivery of value to stakeholders and the public



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## National Examination Process

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A key responsibility of CMA Newfoundland and Labrador is the coordination and administration of the CMA Entrance Examination and preparation workshop, the CMA Case Exam and the Board Report. The exams involve registering candidates, ordering exams, room bookings, and exam invigilation. The Board Report involves registering candidates, ordering envelopes, room bookings, scheduling presentations, and coordinating Mock Board members. In 2012–13, a total of 62 Entrance, 49 Case, and 7 Group Board Reports and presentations to mock Board of Directors.



**“ The CMA  
program gave me  
the necessary tools  
to really handle  
management and  
leadership at  
a much higher  
level. ”**

Dan Clarke, CMA  
President, Helly Hansen Canada Ltd.

From the national advertising campaign  
Create Possibilities.



# Member Engagement and Pride

*CMA Newfoundland and Labrador continues to provide many opportunities for members to get involved with the activities of our organization. We wish to thank you for your overwhelming support to both the Board and the CMA-NL office. We have made some significant strides over the past few years, and membership engagement and support have been an integral part of our success. There has been a noticeable increase in attendance at our AGM and annual convocation; great support for the new Continuous Professional Learning & Development policy; volunteering with the SLP's mentorship program and Mock Board of Directors final Board Report, and more.*

*Based on a survey of members conducted in early 2013, 98% of CMAs in Newfoundland and Labrador who responded are satisfied with the service they receive from the Society. We achieved these results by ensuring that staff is responsive to member inquiries and requests, that we provide members with information about the Society and the profession, and that we ensure members have access to quality professional development events so they can maintain or increase their competency.*

*CMA-NL is well positioned to continue to grow and further increase member services. We thank you for your amazing support and look forward to the upcoming years.*

*We are also very pleased with our three public representatives to the CMA Newfoundland and Labrador Board of Directors; Dr. Gary Gorman (former Dean of Business, MUN), Mr. David Frew (VP, Strategy and Corporate Affairs, Marine Atlantic Inc.) and Mr. Keith Collins (President and CEO, St. John's International Airport Authority). All of whom add much value to our organization!*

**Think Creatively,  
Execute Logically.**

Our selection of topics for 2010 focuses on the core competencies of the CMA Competency Map and will help delegates meet their career goals by creatively applying new concepts and methods in their own work environment.





# Financial Overview 2012-2013

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The 2012-2013 financial statements were audited by Roger Coombs Chartered Accountants. The audit was completed by Keith Escott, CA. We are pleased once again to report on another successful financial year that well exceeded our budget expectations.

## Statement of Financial Position

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### **Assets**

The financial position of the Society continues to improve; for the year ended June 30, 2013 cash and cash equivalents stand at \$595,824 with \$231,635 invested in GICs. Accounts receivable stand at \$2,137 and Prepaid Expense is due to the 1st installment of national dues assessment.

### **Liabilities**

Total liabilities at June 30, 2013 were \$41,796 in accounts payable/accrued liabilities.

### **Net Assets**

Net Assets had an increase of \$112,696 to \$548,786 for the fiscal year.

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# Statement of Operations

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## **Revenues**

Total revenues for the year were increased by \$162,010 over 2011/2012 to \$750,428.

Educational services revenue was greatly bolstered by increased registration in the Accelerated Bridging Program. An increase of \$21,953 to \$308,753 in member fees revenues is attributable solely to growth in membership with no increase in fees.

## **Expenses**

Total expenses for this fiscal year increased by \$106,980 over 2011/2012 to \$637,732. The increase in expenses is mainly attributable to having a full complement of staff for the year, accrual for the Retention Benefit during merger process (as per Auditor Note #4), merger expenses, and banking credit card processing charges which is linked to higher registrations/revenues.

## **Overview Summary**

As aforementioned the excess of revenue over expenditures at year end was \$112,696 which contributed to the \$548,786 in equity. We are pleased to report that your accounting body is in sound financial state with solid governance and leadership. We are poised to maintain our operation, expect reasonable growth and increasing member and student services as we merge to the new Chartered Professional Accountant designation.

**The Society of Certified Management  
Accountants of Newfoundland and Labrador  
Financial Statements**

**June 30, 2013**



**The Society of Certified Management Accountants of Newfoundland and  
Labrador**  
June 30, 2013

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**Independent Audit Report****Partners:****Roger K. Coombs, CA**  
**David M. DuPree, CA**To the Board of Directors  
The Society of Certified Management Accountants of Newfoundland and Labrador**Location:**119 Clyde Ave.  
Mount Pearl, NL  
A1N 4R9Ph: (709) 745-1200  
(709) 579-1005  
Fax: (709) 745-1204**Mailing address:**P.O. Box 447  
Mount Pearl, NL  
A1N 3C4

We have audited the accompanying financial statements of The Society of Certified Management Accountants of Newfoundland and Labrador, which comprise the statements of financial position as at June 30, 2013, June 30, 2012 and July 01, 2011, and the Statements of operations, Statement of Changes in Net Assets and cash flows for the years ended June 30, 2013 and June 30, 2012, 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 private enterprises, 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.



# Independent Audit Report

## *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Society of Certified Management Accountants of Newfoundland and Labrador as at June 30, 2013, June 30, 2012 and July 01, 2011, and the result of its operations and its cash flows for the years ended June 30, 2013 and June 30, 2012 in accordance with Canadian accounting standards for not for profit organizations.

The comparative figures presented for June 30, 2012 and July 01, 2011 were audited by another firm of Chartered Accountants.



Chartered Accountants

Mount Pearl, Newfoundland and Labrador  
November 05, 2013



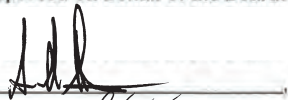
The Society of Certified Management Accountants of Newfoundland and  
**Labrador**  
 Statement of Financial Position


June 30, 2013

	2013	2012	2011
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 595,824	\$ 429,605	\$ 412,970
Accounts receivable	2,137	7,201	1,504
Prepays	19,140	49,318	24,659
Security deposits (Note 2)	100,000	-	-
	717,101	486,124	439,133
Property, plant and equipment (Note 3)	1,145	2,385	8,417
	\$ 718,246	\$ 488,509	\$ 447,550
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 41,796	\$ 21,218	\$ 53,482
HST payable	33,768	28,822	12,931
Retention benefits (Note 4)	93,896	-	-
Deferred revenue	-	2,379	3,013
	169,460	52,419	69,426
<b>Net assets</b>			
Unrestricted	548,786	436,090	378,124
	\$ 718,246	\$ 488,509	\$ 447,550

**Commitments (Note 5)**

Approved on Behalf of the Board:

  
 \_\_\_\_\_, Chairperson

  
 \_\_\_\_\_, Treasurer

The accompanying notes are an integral part of these financial statements.

**The Society of Certified Management Accountants of Newfoundland and  
Labrador**  
Statement of Operations

For the Year Ended June 30, 2013

	2013	2012
<b>Revenue</b>		
Educational services (Schedule 1)	\$ 421,979	\$ 285,740
Member fees	308,753	286,800
Miscellaneous revenue	19,696	16,178
	<b>750,428</b>	<b>588,718</b>
<b>Operating expenses</b>		
Provincial office (Schedule 2)	418,712	278,413
National fees	98,636	99,200
Advertising and promotion	87,279	128,789
Rent	13,111	12,495
Professional fees	9,466	2,450
Professional development and training	4,725	5,319
Insurance	4,093	4,086
Bad debts	1,710	-
	<b>637,732</b>	<b>530,752</b>
<b>Excess of revenue over expenditure</b>	<b>\$ 112,696</b>	<b>\$ 57,966</b>

The accompanying notes are an integral part of these financial statements.

**The Society of Certified Management Accountants of Newfoundland and  
Labrador**

**Statement of Changes in Net Assets**

**For the Year Ended June 30, 2013**

	2013	2012	2011
Net assets, beginning of year	\$ 436,090	\$ 378,124	\$ 300,410
Excess of revenue over expenditure	112,696	57,966	77,714
Net assets, end of year	\$ 548,786	\$ 436,090	\$ 378,124

The accompanying notes are an integral part of these financial statements.

**The Society of Certified Management Accountants of Newfoundland and  
Labrador**

**Statement of Cash Flows**

**For the Year Ended June 30, 2013**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of revenue over expenditure	\$ 112,696	\$ 57,965
Amortization	2,295	6,032
Decrease (increase) in receivables	5,064	(5,697)
Decrease (increase) in prepaids	30,178	(24,659)
Decrease (increase) in security deposits	(100,000)	-
Increase (decrease) in accounts payable and accruals	20,578	(32,262)
Increase (decrease) in HST payable	4,946	15,891
Increase (decrease) in deferred revenue	(2,379)	(634)
Increase retention benefit	93,896	-
	<b>167,274</b>	<b>16,636</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(1,055)	-
<b>Net cash increase (decreases) in cash and cash equivalents</b>	<b>166,219</b>	<b>16,636</b>
Cash and cash equivalents at beginning of period	429,605	412,969
<b>Cash and cash equivalents at end of period</b>	<b>\$ 595,824</b>	<b>\$ 429,605</b>

The accompanying notes are an integral part of these financial statements.



# The Society of Certified Management Accountants of Newfoundland and Labrador

Notes to the Financial Statements

For the Year Ended June 30, 2013

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## 1. Significant Accounting Policies

### Purpose of organization

The Society of Certified Management Accountants of Newfoundland and Labrador is incorporated under the Newfoundland Management Accountants' Act as a not for profit organization and, as such, is exempt from income tax. The Society promotes and regulates the management accounting profession in the Province of Newfoundland and Labrador.

### First time adoption of Not for Profit Organizations GAAP

On July 1, 2012 the society adopted Canadian generally accepted accounting principles for not for profit organizations. The standards were adopted retrospectively with adjustment to the comparative figures. The changes to retained earnings at the date of transition was \$NIL.

A reconciliation of the excess of revenues over expenditures reported in the entity's most recent previously issued financial statements to its excess of revenues over expenditures under Canadian generally accepted accounting principles for not for profit organizations for the same period was \$NIL.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand and balances with banks.

### Property, plant and equipment

Depreciation is provided for using the straight-line method over the estimated useful lives as follows for the major classes of assets:

Leasehold improvements	5 years
Computer hardware	3 years
Furniture and office equipment	5 years
Signs	5 years

# The Society of Certified Management Accountants of Newfoundland and Labrador

Notes to the Financial Statements

For the Year Ended June 30, 2013

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## 1. Significant Accounting Policies continued

### Impairment of long lived assets

In the event that facts and circumstances indicate that the society'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 society considers that no circumstances exist that would require such an evaluation.

### Financial instruments

The Society has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

### Revenue recognition

Revenue is recognized as services are provided and programs delivered.

### Use of estimates

In preparing the Society's financial statements in accordance with Canadian generally accepted accounting principles management is required 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. Actual results could differ from these estimates.

## 2. Security deposit

The Unifying Bodies (CMANL, ICANL and CGANL) agreed that a break fee of one hundred thousand dollars (\$100,000), or an irrevocable letter of credit for this amount, will be deposited by each Unifying Body and will be subject to the terms and conditions of an escrow agreement to be mutually determined by the Unifying Bodies prior to the deposit of the break fee funds. The amount of the break fee has been quantified by the three Unifying Bodies by taking into account their respective investment, including financial, volunteer resources and staff time, in implementing the terms of the agreement as well as the additional financial and marketing costs that will be incurred by the remaining Unifying Bodies to account for the non-participation of a Unifying Body who fails to fulfil the terms of the agreement without reasonable cause.

# The Society of Certified Management Accountants of Newfoundland and Labrador

## Notes to the Financial Statements

For the Year Ended June 30, 2013

### 3. Property, plant and equipment

Property, plant and equipment consist of the following:

	Cost	Accumulated Depreciation	2013 Net Book Value	2012 Net Book Value	2011 Net Book Value
Leasehold improvements	\$ 14,994	\$ (14,994)	\$ -	\$ 222	\$ 3,222
Computer hardware	12,576	(11,431)	1,145	803	1,339
Furniture and office equipment	7,334	(7,334)	-	401	1,867
Signs	5,147	(5,147)	-	959	1,989
	<b>\$ 40,051</b>	<b>\$ (38,906)</b>	<b>\$ 1,145</b>	<b>\$ 2,385</b>	<b>\$ 8,417</b>

### 4. Retention benefit

Management employees will receive a retention benefit if they remain in their current role until their scheduled employment termination date. If CMA-NL ends the employment prior to the scheduled termination date, the retention benefit will still apply. The employment termination date is defined as the date of merger or cessation of activity of CMA-NL.

### 5. Commitments

#### Unification agreement

During the year, the Society signed a formal agreement to pursue unification with the Certified General Accountants Association of Newfoundland and Labrador (CGANL) and the Institute of Chartered Accountants of Newfoundland and Labrador (ICANL). The three organizations are working together to form a new accounting body under the name of Chartered Professional Accountants of Newfoundland and Labrador (CPANL), which is to be established by legislation.

The Unifying Bodies will contribute at a level that is proportionate to the size of their membership, as and when financing is required, to a non-refundable fund to finance the Transition Preparation Stage and the start-up of the CPANL.

### 6. Provincial Society/University Agreement

The Society and Memorial University have entered into an agreement under which the CMA Pre-Professional Program academic courses are offered as university credit courses through the Faculty of Business Administration. The Society contributes funds to the University towards a business scholarship and to management accounting research. The current agreement expires June 30, 2018.



# The Society of Certified Management Accountants of Newfoundland and Labrador

## Notes to the Financial Statements

For the Year Ended June 30, 2013

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### 7. Employee future benefits

The Society participates in a multi-employer defined contribution plan. The assets of the plan are held separately from those of the Society in an independently administered fund. Contributions paid and expensed by the Society during the year totaled \$9,586 (2012 - \$8,372).

### 8. Capital management

The capital structure of the Society consists of unrestricted net assets. The primary objective of the Society's capital management is to provide adequate funding to ensure efficient operations.

Net assets are available for future operations and are preserved so the Society can have financial flexibility in the future.

### 9. Risk management

The Society's policy for managing risk includes 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 risks managed by the Society include the following:

#### *Credit risk*

Financial instruments which potentially subject the Society to concentrations of credit risk consist of cash equivalents and accounts receivable. The cash equivalents consist mainly of short-term deposits. The Society has deposited the cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote. The Society has accounts receivable from members and are not concentrated in any specific geographic area. Management believes that the credit risk concentration with respect to financial instruments included in receivables is negligible.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the Society monitors its cashflows ensuring that it has sufficient cash available to meet its obligations and liabilities.



**The Society of Certified Management Accountants of Newfoundland and  
Labrador**

**Schedule 1 - Schedule of Educational Services**

**For the Year Ended June 30, 2013**

	2013	2012
<b>Revenue</b>		
Accelerated program fees, net of expenses of \$52,093 (2012 - \$32,989)	\$ 278,637	\$ 224,351
Education	275,138	197,208
Student fees	57,960	45,080
	<b>611,735</b>	<b>466,639</b>
<b>Direct costs</b>		
Professional program	129,190	114,843
CMA Program, MUN, scholarships	35,627	40,264
Examination expenses	20,902	16,179
Amorization	2,295	6,032
National fees	1,742	3,581
	<b>189,756</b>	<b>180,899</b>
<b>Net contribution</b>	<b>\$ 421,979</b>	<b>\$ 285,740</b>

The accompanying notes are an integral part of these financial statements.

**The Society of Certified Management Accountants of Newfoundland and Labrador**  
Schedule 2 - Schedule of Provincial Office Expenses

For the Year Ended June 30, 2013

	2013	2012
Wages and benefits	\$ 359,962	\$ 233,740
Bank charges and interest	21,019	17,738
Meeting expenses	10,095	3,595
Other	9,187	3,917
Telephone and internet	7,387	6,725
Office supplies	6,875	9,112
Courier and postage	2,378	2,437
Offsite storage	1,199	1,149
Miscellaneous	610	-
	<b>\$ 418,712</b>	<b>\$ 278,413</b>

The accompanying notes are an integral part of these financial statements.

# Board of Directors and Committees 2012-2013

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*The Board of Directors has led a number of key initiatives that would not have been a success without the contribution of many dedicated volunteers.*

## **Board of Directors**

Arnold Adey - Chair  
Jesse DeVilla - Vice Chair  
Brian Brophy - Board Member  
Keith Collins - Board Member  
Dennis Dober - Board Member  
David Frew - Board Member  
Gary Gorman - Board Member  
Adam Lippa - Board Member  
Neil Pittman - Board Member  
Matt Stevenson - Board Member  
Karen Wade - Board Member  
Brian Whiteway - Treasurer  
Mark Bradbury - Chief Executive Officer

## **Finance and Audit Committee**

Brian Whiteway - Chair  
Arnold Adey - Ex-officio  
Matt Stevenson  
Karen Wade  
Neil Pittman  
Mark Bradbury

## **Governance Committee**

Jesse DeVilla - Chair  
Brian Brophy  
David Frew  
Mark Bradbury

## **Competency Development Committee**

Dennis Dober - Chair  
Arnold Adey - Ex-officio  
Gary Gorman  
Karen Wade  
Mark Bradbury

## **Public Accounting Standards Committee**

Adam Lippa - Chair  
Arnold Adey - Ex-officio  
Jesse DeVilla  
Brian Brophy  
Mark Bradbury

## **Complaints & Disciplinary Committee**

Jesse DeVilla - Chair  
David Frew  
Neil Pittman  
Mark Bradbury

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