

CMA Newfoundland and Labrador  
Annual Report 2010-2011



**Certified  
Management  
Accountants™**

# Message from the Chair and CEO



Kent Farrell, 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 can now claim the largest share of new graduates of professional accountants in the province. It is the designation of choice for professional accountants in business.*

## Key Strategic Themes:

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

## Establishing High-Level Strategies

During the past year the Board of Directors of CMA Newfoundland and Labrador strived towards our vision and mission based on the new strategic framework, placing emphasis on quality growth that will provide the awareness and resources necessary to ensure the prominence of the designation in the business community. In addition to raising growth targets, the Board approved changes to reflect raised expectations in the areas of member services, maintenance of member competence and standards of practice and competitive positioning.

The Governance Committee continue to thoroughly review our regulations and by-laws which involve extensive research into best practices, legal advisors and input from Board members.

Our national advertising campaign — Create Possibilities™ — was launched again this fiscal year and shows first-hand how CMAs create possibilities in diverse and exciting industries using their unique skill set of accounting, management, and strategy. Having these skills is becoming increasingly critical for the future success of businesses and individuals. The campaign has laid the foundation for continued brand building efforts to support the partnership's goals of demonstrating what is meant by creativity in business, generating positive interest in the CMA designation, and establishing CMA® as the Canadian designation of choice for success in today's economy. National member and employer surveys conducted this year provided valuable feedback so that we can fine-tune our efforts in this area.

Professional Development has been a major focus over the past fiscal year and will continue to be as CMA Newfoundland and Labrador provides on-going professional development opportunities for our members. Our Competency Development Committee have held professional development seminars throughout the province which have all been greatly supported by the membership and according to the follow-up surveys "a great success."

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

## Stay Tuned

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 5% 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.

Stay tuned, the possibilities are endless.

### Fast Facts

**400** Certified Members in Newfoundland and Labrador

**41** Entrance Exam Writers

**41** CMA Candidates

**18** Graduates

**1** Accredited University Program

**1** Accelerated Bridging Program for the workforce

**1** Executive CMA Program for the senior executive workforce

**2** Newly appointed FCMA's

**25** Countries where CMAs practice

**// 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).

## New Research Publications

The Foundation produced three new research publications in 2010 – 11:

### Scenario Planning: Plotting a Course Through an Uncertain World

*This MAG focuses on the practical application of scenario planning tools and techniques in different business situations. Date published: July 2010*



### The Performance Management Maturity Framework

*The framework identifies and describes the factors that affect business performance. Date published: January 2011*

### Forecasting the Future Role of the Management Accountant

*This paper organizes drivers of change into three categories, identifies the resulting challenges these drivers will likely pose to organizations, and describes the resulting demands that these organizational challenges will likely place on the management accountant's role. Date published: May 2011.*



The CMA Canada website hosts a portfolio of more than 150 research publications. They may be downloaded for free by CMA members.

## Webinars featuring CMA research

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During the year, CMA Canada worked in partnership with Financial Executives International Canada (FEI Canada), to produce and deliver a series of webinars based on the Foundation's research publications:

Scenario Planning: Plotting a Course Through an Uncertain World

Forecasting the Future Role of the Management Accountant

Environmental Sustainability: Tools and Techniques

The Performance Management Maturity Framework (parts 1 and 2)

Performance Measurement

## Increasing product demand

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During this fiscal year, there were 7,489 MAG product downloads and 4,518 MAP® product downloads. This is an increase of 22.4 per cent of MAG downloads and 1.2 per cent of MAP downloads when compared to the 2009–10 fiscal year. The most frequently downloaded MAG was Designing and Implementing a Performance Measurement System.

**// In 2010 – 11, the number of MAG  
downloads increased by 22.4 per cent over  
downloads in the 2009–10 fiscal year. //**

## Expanded research

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CMA Canada continues to develop its research capacity through our partnership with innovative centres of excellence at Simon Fraser University's Segal Graduate School of Business (CMA Centre for Strategic Change and Performance Measurement) and Wilfrid Laurier University's School of Business & Economics (CMA Centre of Excellence in Management Accounting for Small and Medium-Sized Enterprises [SMEs]). In 2010–11, CMA Canada commenced work with Simon Fraser University to develop three publications on technological, organizational and social innovation. At Wilfrid Laurier University, the focus of our funding has been on SME research. These innovative approaches have expanded our research capacity and strengthened our relationships with the two universities.

## Looking ahead into 2011–12

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We expect that several key deliverables that were started in 2010–11 will be completed by June 2012:

- » A new management accounting website that will become a repository of all of CMA Canada's research products, as well as related publications from our strategic partners
- » A portfolio of more than 100 new MAPs based on the CMA Competency Map
- » An e-MAG series on Performance Management and Performance Measurement



# CMA Growth

*During the fiscal year, CMA Newfoundland and Labrador continued to strengthen existing relationships with university and employer partners to ensure the prominence of the designation and to develop flexible pathways to the designation.*



## Marketing Efforts Expanded

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We expanded our marketing platform to include twelve new pieces of marketing collateral in Newfoundland and Labrador, approximately 15 advertisements/sponsorships in the Newfoundland and Labrador marketplace, an expanded presence on campuses and workplaces around the province through information sessions and drop-by booths, Board of Trade bronze sponsorship, and radio advertisements on leading stations throughout the province including being a major sponsor for a summer road show providing us with CMA branding at all major events throughout Newfoundland and Labrador.

Leading indicators reflect these efforts including: transcript evaluations which were up 100% over prior fiscal years, and Accelerated Bridging Program winter registrations have increased 100%.

## Coming Soon: A Refreshed Web Presence

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CMA Canada and its provincial partners began work on a refreshed website design to ensure we continue to offer a relevant web experience to members, candidates and prospects. To date, we have worked with an outside vendor to determine the site needs and are in the process of determining site governance and ultimately an implementation plan.



// 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.



## Create Possibilities

The national campaign “Create Possibilities” has laid the foundation for continued brand building efforts to support the partnership’s goals of demonstrating what is meant by creativity in business, generating positive interest in the CMA designation, and establishing CMA as the designation of choice for success in today’s economy. The

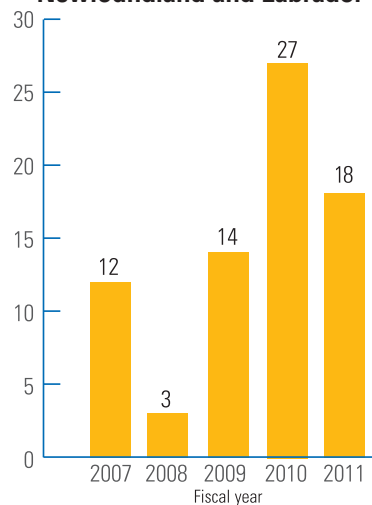


largely online campaign shows first-hand how CMAs create possibilities in diverse and exciting industries using their unique skill set of accounting, management, and strategy. CMAs are profiled throughout Canada and featured at their place of work, creating value in innovative and creative ways. Members were filmed, documentary style in 30 and 90 second formats. See the difference CMAs are making by visiting the new recruitment website: [www.becomeacma.com](http://www.becomeacma.com).

## 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 our new 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 year 2012 we are expecting 22 graduates and in 2013 we expect 34 graduates. **This fall of 2011, due to the high number of candidates, for the first time, we will have two Strategic Leadership Program classes.** The CMA designation is truly the designation of choice for professional accountants in business in Newfoundland and Labrador.

**CMA Graduates in Newfoundland and Labrador**



# CMA Convocation 2011

*A graduation ceremony was held to honour our eighteen 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 140 invited guests, members, and graduates.*

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

## **CMA SLP Highest Achievement Award**

» Sharlene Jones, CMA

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



**Back row, from left to right:** Alexander Bursey, CMA (pending practical experience), Rodney White, CMA, Ross Tansley, CMA, Jamie Hart, CMA, Stanford Collins, CMA, and John Harvey, CMA. **Middle row, from left to right:** Michael Mullaley, CMA, Pauline Reynolds Sutherland, CMA, Carrie Frizzell, CMA, Sharlene Jones, CMA, Heather MacDermid, CMA, and Tony Collins, CMA. **Front row, from left to right:** Jeffrey Mercer, CMA, Brian O'Rafferty, CMA, and Ryan Gosse, CMA. **Missing from picture:** Michael Anderson, CMA, Stella Brisibe, CMA, and Rodney Codner, CMA.

# 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

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The CMA Competency Map was first adopted in 2005. Since that time it has become the foundation for all CMA Research activities and Professional Programs development. In fact, the CMA Competency Map serves to guide all aspects of CMA programs and services. In addition, the Map distinguishes itself by defining the essence of what it means to be a CMA who contributes to organizational success.

In 2010, a comprehensive review of the Map was completed. The purpose of the review was to identify gaps that might have developed in the Map over time and to ensure that it continues to be leading edge and relevant. Extensive consultation with academics, practitioners and other stakeholders produced a new Map that will guide CMA members, CMA Professional Programs and CMA Research for years to come.

## Creating Business Leaders

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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

## 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 2010–11, a total of 40 Entrance, 27 Case, and 6 Board Reports and presentations to mock Board of Directors.

## CMA Professor of Accounting

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Unlike other designations, the delivery of CMA Canada's main CMA program stream is delivered by each provincial partner. One of our Strategic Objectives is "CMA-NL demonstrates excellence in operations and governance" and one of our "Critical Success Factors" and "Initiatives" to achieve this is "High quality moderating and delivery of CMA programs." Through a recent 10 year agreement with the Faculty of Business, Memorial University, an official titled Professor of Accounting position, the only one at MUN, was created and sponsored by CMA-NL. The official named title was to be "CMA Professor of Accounting" and made highly visible throughout the Faculty of Business. He/she was also to be a moderator in our educational programs. Dr. Jeffrey Pittman, CA, CMA, PhD, was chosen for this position and we are extremely pleased with the positive outcomes since his arrival. He has taken steps to revamp and update all management accounting courses at MUN including the online distance education courses. This leads to CMA students having a higher degree of management accounting knowledge as they challenge the national entrance exam and enter the Strategic Leadership Program. In addition, we also wish to congratulate him for his recent Memorial University President's Researcher of the Year Award! In a field where an average researcher is lucky to be published in one top North American accounting journal every 30 years or so, Jeffrey is showing up in 10 of them. He is undoubtedly considered an expert in accounting and we are proud to have him as our representative at Memorial and the Lead Moderator for the CMA Program!



“ 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 Council 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.*

*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 new public representatives to the CMA Newfoundland and Labrador Board of Directors; Dr. Gary Gorman (former Dean of Business, MUN), Mr. David Frew (VP Human Resources, Newfoundland Labrador Liquor Corp) 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 2011 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.





# FCMAs

*Leading successful enterprises, enriching Newfoundland and Labrador communities.*

*The FCMA is a prestigious, national honorary designation that recognizes CMAs who, through their outstanding achievements, bring distinction to the management accounting profession and serve as a role model to others.*



**Dennis Joseph Dober,**  
**CMA, FCMA**  
Business Management  
Instructor  
College of the North Atlantic

Since being granted his designation in 1988, Dennis has continued to progress his career in the academic community. He has been teaching management and financial accounting courses for 25 years and is now teaching advanced management accounting courses at Memorial University of Newfoundland. He is also a Business Management Instructor (Accounting) with the College of the North Atlantic.

Dennis's contributions to the CMA designation have not been limited to his career. He has also served as a CMA-NL Board member for 7 years and served as the Chair of the Competency Development Committee from 2007 to 2011. Dennis has also been an integral force in the development and implementation of the CMA program at Memorial University. He is a lead moderator for the Strategic Leadership Program and lead instructor for the CMA Accelerated Program. He also served CMA Canada as a member on its Board of Examiners from 2007 to 2009.



**Mark R. Penney,**  
**CMA, FCMA**  
Financial Management  
Advisor  
Fisheries & Oceans Canada

Dennis has also been a very active member in the local community. He currently is the Treasurer for the Parkinson Society of Newfoundland and Labrador and has been Treasurer for the Schooner Economic Development Board as well as the Marystown Community Living Board.

Since being granted his designation in 1996, Mark's career has taken him through positions with increasing levels of responsibility and leadership. He currently holds the position of Financial Management Advisor with the Chief Financial Office Sector, Newfoundland Region, Fisheries and Oceans Canada.

Mark's contributions to the CMA designation have not been limited to his career. He has served as Chair of CMA – NL from 2008-2010, as well as chairing various CMA-NL committees and being one of the longest serving Board members (since the year 2000).

Mark has also been a very active member in the local community. From 2002-2007 Mark was a founding board member for the Newfoundland Chapter of the Financial Management Institute. Mark currently serves on the Business Administration Committee for the Pathway Community Church, and also coaches soccer in Conception Bay South.

*Our congratulations on becoming Fellows of the Society of Management Accountants of Canada (FCMA).*

# Financial Overview 2010-2011

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The 2010-2011 financial statements were audited by Grant Thornton LLP. The audit team was lead by Wayne Jones, CA Partner and Robert Mitchell, CMA Senior Manager. Both are Licensed Public Accountants with the Public Accounting Licensing Board of the Govt. of NL. 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, 2011 cash and cash equivalents stand at \$412,970 with \$218,794 invested in GICs. Accounts receivable stand at \$1,504 Prepaid Expense is due to the 1st installment of national dues assessment.

### Liabilities

Total liabilities at June 30, 2011 were \$66,413 in accounts payable/accrued liabilities. One student postponed and therefore \$3,013 was recorded as deferred revenue.

### Net Assets

Net Assets had an increase of \$77,714 to \$378,124 for the fiscal year.

## Statement of Operations

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### Revenues

Total revenues for the year were increased by \$118,437 over 2009/2010 to \$538,037.

Educational services revenue was greatly bolstered by increased registration in the Accelerated Bridging Program. An increase of \$25,953 to \$271,468 in member fees revenues is attributable solely to growth in membership. We are pleased to report that in accordance to our multi-year budget plan and due to our planned budgeted

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growth now realized, dues for 2010/2011 were not raised and remained the same as 2009/2010. This is despite the increase in national assessment dues in 2010/2011 that were absorbed. There are now only small nominal inflationary increases expected for future years.

## **Expenses**

Total expenses for this fiscal year increased by \$91,011 over 2009/2010 to \$460,323. The increase in expenses is mainly attributable to our increase in our marketing spend in our CMA branding and designation awareness which is linked to higher registrations/revenues and can be associated with employer, partner, and member pride. There has been an increase in the CMA-NL provincial office on 31 Peet St. expense mainly due to resulting credit card charges from increased revenues; salary adjustment correction for the Programs Coordinator position; and full year pay for the Executive Office Assistant position that was not in place for the full year in 2009/2010.

## **Overview Summary**

As aforementioned the excess of revenue over expenditures at year end was \$77,714 which contributed to the \$378,124 in equity. This has allowed CMA-NL to once again defer its request for funding from CMA Canada which was once a major part of our 5 year Strategic Plan for growth and presence in Newfoundland and Labrador. We have made such progress that we plan to fund and invest on our own merits in our future growth and therefore will invest our own equity, if need be, over the upcoming 2 to 3 years in order to sustain increased member services such as professional development opportunities, website upgrading, and CMA Brand awareness within the province. We are pleased to report that your accounting body is in sound financial state with solid governance and leadership. We are now poised to maintain our operation, expect reasonable growth and increasing member and student services!

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## Financial Statements

The Society of Management Accountants of

Newfoundland and Labrador

June 30, 2011

## Contents

	<b>Page</b>
Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statements of Operations and Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 7
Schedule 1 – Schedule of Educational Services	8
Schedule 2 – Schedule of Provincial Office Expenses	9



## Independent Auditors' Report

Grant Thornton LLP  
2 Queen Street, PO Box 518  
Marystown, NL  
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To the Members of  
**The Society of Management Accountants of Newfoundland and Labrador**

We have audited the accompanying financial statements of **The Society of Management Accountants of Newfoundland and Labrador**, which comprise the statement of financial position as at June 30, 2011, and the statements of operations and net assets and statement of 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.

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**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **The Society of Management Accountants of Newfoundland and Labrador** as at June 30, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Marystown, Newfoundland and Labrador

November 16, 2011

Chartered Accountants

The Society of Management Accountants of  
Newfoundland and Labrador

Statement of Financial Position

June 30	2011	2010
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 412,970	\$ 360,132
Receivables	1,504	7,152
Prepays	<u>24,659</u>	<u>21,952</u>
	439,133	389,236
Capital assets (Note 3)	<u>8,417</u>	<u>13,224</u>
	<u>\$ 447,550</u>	<u>\$ 402,460</u>
<b>Liabilities</b>		
<b>Current</b>		
Payables and accruals	\$ 66,413	\$ 83,003
Deferred revenue	<u>3,013</u>	<u>19,047</u>
	<u>69,426</u>	<u>102,050</u>
<b>Net Assets</b>		
Unrestricted	<u>378,124</u>	<u>300,410</u>
	<u>\$ 447,550</u>	<u>\$ 402,460</u>

Commitments (Note 6)

On behalf of the Board

Kt Ferrall

Chairperson

Kealy Martin

Treasurer

See accompanying notes to the financial statements.

The Society of Management Accountants of  
Newfoundland and Labrador  
Statements of Operations and Net Assets

Year Ended June 30	2011	2010
<b>Revenue</b>		
Educational services (Schedule 1)	\$ 255,530	\$ 162,088
Member fees	271,468	245,515
Miscellaneous revenue	<u>11,039</u>	<u>11,997</u>
	<b>538,037</b>	<b>419,600</b>
<b>Expenditure</b>		
Advertising and promotion	85,349	46,488
Bad debts	900	2,372
Insurance	4,053	4,040
National fees	86,775	78,479
Professional development and training	4,613	1,863
Professional fees	3,136	2,500
Provincial office (Schedule 2)	263,658	222,350
Rent	<u>11,839</u>	<u>11,220</u>
	<b>460,323</b>	<b>369,312</b>
Excess of revenue over expenditure	77,714	50,288
Net assets, beginning of year	<u>300,410</u>	<u>250,122</u>
Net assets, end of year	<b>\$ 378,124</b>	<b>\$ 300,410</b>

See accompanying notes to the financial statements.



The Society of Management Accountants of  
Newfoundland and Labrador

Statement of Cash Flows

Year Ended June 30	<b>2011</b>	2010
Net increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenue over expenditure	<b>\$ 77,714</b>	\$ 50,288
Amortization	<b>6,414</b>	7,220
	<b>84,128</b>	57,508
Changes in non-cash operating working capital		
Receivables	<b>5,648</b>	2,881
Prepays	<b>(2,707)</b>	218
Payables and accruals	<b>(16,590)</b>	(3,624)
Deferred revenue	<b>(16,034)</b>	13,247
	<b>54,445</b>	70,230
<b>Investing</b>		
Purchase of capital assets	<b>(1,607)</b>	
Increase in cash and cash equivalents	<b>52,838</b>	70,230
Cash and cash equivalents		
Beginning of year	<b>360,132</b>	289,902
End of year	<b>\$ 412,970</b>	\$ 360,132

See accompanying notes to the financial statements.

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# The Society of Management Accountants of Newfoundland and Labrador

## Notes to the Financial Statements

June 30, 2011

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### **1. Purpose of the organization**

The Society of Management Accountants of Newfoundland and Labrador is incorporated under the Newfoundland Management Accountants' Act as a non-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.

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### **2. Summary of significant accounting policies**

#### **Use of estimates**

In preparing the Society's financial statements in conformity with Canadian generally accepted accounting principles management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

#### **Financial instruments**

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates fair value due to the relatively short-term maturities of these instruments.

#### **Cash and cash equivalents**

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

#### **Revenue recognition**

Restricted contributions related to operations are recognized as revenue in the year in which the related expenses are incurred.

#### **Contributed services**

Members and service providers, may from time to time, donate services to the Society. Because these contributed services are free, they are not recorded in the Society's financial statements.

#### **Amortization**

Capital assets are being amortized over their estimated useful lives using the straight line basis at rates indicated in Note 3.

The Society of Management Accountants of  
Newfoundland and Labrador

Notes to the Financial Statements

June 30, 2011

<b>3. Capital assets</b>				<u>2011</u>	<u>2010</u>
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<b>Net Book Value</b>	Net Book Value
Leasehold improvements	SL 5yrs	\$ 14,994	\$ 11,772	<b>\$ 3,222</b>	\$ 5,997
Computer hardware	SL 3yrs	11,522	10,183	<b>1,339</b>	875
Furniture and office equipment	SL 5yrs	7,334	5,467	<b>1,867</b>	3,334
Signs	SL 5yrs	<u>5,147</u>	<u>3,158</u>	<u><b>1,989</b></u>	<u>3,018</u>
		<u>\$ 38,997</u>	<u>\$ 30,580</u>	<u><b>\$ 8,417</b></u>	<u>\$ 13,224</u>

**4. Provincial Society/Memorial 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.

**5. Employee future benefits**

The Society participates in a multi-employer defined benefit 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 totalled \$5,690 (2010 - \$6,845).

**6. Commitments**

The Society is committed to minimum annual payments of \$12,495 to 2012 pursuant to a lease agreement for office space.

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The Society of Management Accountants of  
Newfoundland and Labrador

Schedule 1 - Schedule of Educational Services

Year Ended June 30	<b>2011</b>	2010
<b>Revenue</b>		
Education	<b>\$ 141,109</b>	\$ 151,450
Student fees	<b>35,550</b>	38,275
Accelerated program fees, net of expenses of \$30,737 (2010 - \$33,303)	<u><b>220,458</b></u>	<u>80,527</u>
	<u><b>397,117</b></u>	<u>270,252</u>
<b>Direct costs</b>		
Amortization	<b>6,414</b>	7,220
CMA program, MUN, scholarships	<b>30,215</b>	31,069
Examination expenses	<b>8,483</b>	14,043
National fees	<b>1,920</b>	1,272
Professional program	<u><b>94,555</b></u>	<u>54,560</u>
	<u><b>141,587</b></u>	<u>108,164</u>
Net contribution	<u><b>\$ 255,530</b></u>	<u>\$ 162,088</u>

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The Society of Management Accountants of  
Newfoundland and Labrador

Schedule 2 - Schedule of Provincial Office Expenses

Year Ended June 30 **2011** 2010

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**Provincial Office**

Bank charges and interest	\$ <b>21,230</b>	\$ 14,775
Courier and postage	<b>1,995</b>	2,044
Meeting expenses	<b>4,508</b>	2,000
Miscellaneous	<b>118</b>	270
Office supplies	<b>8,953</b>	6,036
Offsite storage	<b>1,234</b>	1,102
Telephone and internet	<b>6,159</b>	5,952
Other	<b>2,346</b>	1,945
Wages and benefits	<u><b>217,115</b></u>	<u>188,226</u>
	<b>\$ 263,658</b>	\$ 222,350

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# Board of Directors and Committees 2010-2011

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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**

Kent Farrell - Chair  
Arnold Adey - Vice Chair  
Kealey Martin - Treasurer  
Keith Collins - Board Member/Public rep.  
Jesse DeVilla - Board Member  
Dennis Dober - Board Member  
David Frew - Board Member/Public rep.  
Gary Gorman - Board Member/Public rep.  
Adam Lippa - Board Member  
Matt Stevenson - Board Member  
Karen Wade - Board Member  
Brian Whiteway - Board Member  
Neil Pittman - Lay Board Member  
Mark Bradbury - Chief Executive Officer

## **Finance and Audit Committee**

Kealey Martin - Chair  
Kent Farrell - Ex-officio  
Matt Stevenson  
Karen Wade  
Brian Whiteway  
Mark Bradbury

## **Governance Committee**

Arnold Adey - Chair  
Kent Farrell - Ex-officio  
Dennis Dober  
Adam Lippa  
Mark Bradbury

## **Competency Development Committee**

Dennis Dober - Chair  
Kent Farrell - Ex-officio  
Gary Gorman  
Karen Wade  
Mark Bradbury

## **Public Accounting Standards Committee**

Jesse DeVilla - Chair  
Kent Farrell - Ex-officio  
Adam Lippa  
Matt Stevenson  
Mark Bradbury

## **Complaints & Disciplinary Committee**

Arnold Adey - Chair  
Kent Farrell - Ex-officio  
David Frew  
Brian Whiteway  
Mark Bradbury

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### **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.

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**Certified  
Management  
Accountants™**