



ASCA

Atlantic School of Chartered Accountancy

Annual Report
August 2011



CA 

REPORT INDEX

	<i>Page</i>
<i>Statement of Purpose</i> _____	<i>1</i>
<i>Program Vision</i> _____	<i>1</i>
<i>Board of Directors</i> _____	<i>1</i>
<i>Executive Report</i> _____	<i>2</i>
<i>Management Discussion and Analysis</i> _____	<i>5</i>
<i>Evaluation Summary</i> _____	<i>7</i>
<i>2010 Successful Candidates</i> _____	<i>8</i>
 <i>Graphs</i>	
<i>Student Population</i> _____	<i>9</i>
<i>ASCA Course Seats</i> _____	<i>9</i>
 <i>Lecturers–2010 - 2011</i> _____	 <i>10</i>
 <i>Photos</i>	
<i>UFE Honor Roll</i> _____	<i>11</i>
<i>Top Grades</i> _____	<i>12</i>
 <i>David Hope Honor Roll – 2010 Recipients</i> _____	 <i>13</i>
 <i>Financials</i>	
<i>Auditor's Report</i> _____	<i>14</i>
<i>Management Responsibility</i> _____	<i>15</i>
<i>Statement of Financial Position</i> _____	<i>16</i>
<i>Statement of Operations</i> _____	<i>17</i>
<i>Statement of Changes in Net Assets</i> _____	<i>18</i>
<i>Statement of Cash Flows</i> _____	<i>18</i>
<i>Notes to Financial Statements</i> _____	<i>19</i>
<i>Schedule of Direct operating Expenses</i> _____	<i>22</i>

Statement of Purpose

On behalf of its member Institutes, the Atlantic School of Chartered Accountancy has a mandate to educate registered students for the profession of chartered accountancy and the society it serves.

The School has a mandate to assist in fostering professional attitudes and to ensure that each candidate it qualifies to write the Institutes' Uniform Evaluation has developed the requisite competencies to satisfy the objectives of this evaluation.

The School strives to provide the foundation of professional education, which will allow successful candidates to manage the continuing challenge of change and to practice the chartered accountancy profession into the future.

Program Vision

The vision of the ASCA Professional Program is to create a community of learners within a framework that fosters the development of the requisite competencies to meet the challenges of the Uniform Evaluation (UFE).

The Program will:

- *Provide a quality learning experience that is integrative, intensive, dynamic, applied, relevant, current and innovative.*
- *Build on a philosophical underpinning of collaboration and interaction.*
- *Develop a core student community offering a learner centric environment that blends academic rigour, collaboration and performance support.*
- *Support the concept of lifelong learning by encouraging participants to "learn to learn."*
- *Ensure that participants are given the opportunity and assistance to develop the pervasive and technical competencies set out in the UFE Candidates' Competency Map.*

Board of Directors

Year ended August 31, 2011

Chair

Grant Galbraith, FCA
Collins Barrow Nova Scotia Inc.
Dartmouth, NS

Treasurer

Peggy Coady, FCA
Memorial University of
Newfoundland
St. John's, NL

Secretary

Derrick Hayes, CA
Cape Breton University
Glace Bay, NS

Ron Burke, CA

Bacardi Limited
Pembroke, Bermuda

Wanda Mello, CA

Ernst & Young, Ltd.
Hamilton, Bermuda

Jeff Beaumont, CA

Nicholson & Beaumont CA
Fredericton, NB

Allison Walker, CA

J.D. Irving, Limited
Saint John, NB

Jeffrey D. Follett, FCA

BDO Canada
Corner Brook, NL

Doug Ezeard, CA

ArsenaultBestCameronEllis
Charlottetown, PE

Karen Stanley, CA

Charlottetown, PE

President

J. Daniel Trainor, FCA
Halifax, NS

Executive Report

“The Atlantic School of Chartered Accountancy (ASCA) is a post graduate professional school of accountancy offering courses leading to the designation chartered accountant. We have no bricks or mortar or permanent teaching faculty. We are, in effect, a virtual university.”

On behalf of the Board of Directors, we are pleased to provide an update on ASCA’s activities for the year ended August 31, 2011.

Evolution of Accounting Standards

We are all aware of the significant changes to accounting and auditing standards over the past few years. In this past year, we moved from Canadian Generally Accepted Accounting Principles (CGAAP) to International Financial Reporting Standards (IFRS) and Accounting Standards for Private Enterprises (ASPE) while still permitting CGAAP in some circumstances. We also adopted Canadian Auditing Standards (CAS) mirroring international auditing standards over the same period.

In the transition period, the UFE Candidate’s Competency Map offered a staged approach in the timing of when certain standards became examinable on the UFE. The Map further allowed candidates the option of either using existing standards or early adopting incoming standards in their UFE responses. We built our program around the requirements of the Map while minimizing the magnitude of the changes with which the students had to contend. All outcome measures indicate our candidates were successful in developing the necessary competencies even in these trying times of rapid changes in standards.

The candidates writing the 2011 UFE are responsible for all IFRS, ASPE and CAS standards, with some limitations. We completely revised Module 1 in summer 2010 to begin the transition to this new regime. Further revisions were made to Modules 2, 3 and 4 to ensure appropriate learning activities were available for these candidates. We believe current candidates are well prepared to deal with the challenges of the new standards on the 2011 UFE.

Recent Program Innovations and Student Performance

In addition to the necessary major program re-work to reflect the changing face of accounting and auditing standards in the country, we also implemented a series of significant strategic changes to the program over the past few years. These changes ranged from pedagogical improvements leading to a complete re-work of the structure, delivery and content of Module 1; to more policy-oriented changes such as more stringent assignment review, number of supplemental attempts allowed, etc.

Throughout this year, the Board received enthusiastic assessments from coordinators and facilitators on the very positive impact these initiatives had on student engagement and learning. These assessments were borne out in the success of the students in the professional program modules. The results of our professional program modules appear on page 7 of this report. Given our mandate, the expectations in these modules are high. Congratulations to the successful candidates in this challenging series of courses. We especially wish to recognize the outstanding performance of those candidates achieving the highest performance in each module: Michael Belliveau (Module 1), Meika Matthews (Module 2), Nicholas Chestnut (Module 3) and Stephanie Smith (Module 4). Their photos appear on page 12 in recognition of their significant accomplishments.

UFE Results

In this report, we include the results of our 2010 UFE candidates as these results were released during this fiscal year. The profession has moved away from disclosing a calculated UFE pass rate each year, rather we celebrate the success of those candidates that were successful. This year, we had a lot of success to celebrate: 128 successful candidates, tied with 2009 as the highest number of successful candidates in our 40 plus year history (except for 2003 when had two cohorts writing at the same time).

The UFE Candidates' Competency Map sets out the competencies that entry-level candidates are expected to develop. The UFE Board of Evaluators develops a challenging integrative three-day evaluation internationally recognized for its rigour and quality standards. Passing this milestone evaluation is a feat of which all candidates should be proud.

We recognize, in particular, the performance of Kimberly Hartlin for placing on the UFE Honour Roll. Kimberly also earned the Atlantic Region Gold Medal for placing first in the Region as well as the Brian A. Rogers Award for having the highest performance in the ASCA Professional Program. Kimberly's photo appears on page 11 in recognition of these outstanding accomplishments.

CA Profession Strategic Initiatives

In recent years, the CA profession has been exploring ways to grow the number of chartered accountants. Many of these initiatives have or will have direct impact on ASCA either through enrolment levels or administrative burden.

Training outside the external audit path

The CA profession has been partnering with corporate and public sector employers as well as with public practice firms to offer training positions outside the external audit path. ASCA has managed this process in the Atlantic region on behalf of the five participating institutes. This year, thirteen new training offices have been approved bringing the total as of August 31 to twenty-nine. These employers now have fifty students training outside the external audit path.

Alternative Routes to the CA Profession

The CA profession is actively pursuing a series of other initiatives specifically directed at career changers and internationally trained professional accountants. These include:

- **Evaluation of Experience**
The Evaluation of Experience will be a competency-based route for very senior accounting professionals to become CAs without writing the UFE. Potential candidates will need to meet very strict criteria including requirements such as the following:
 - Extensive senior level experience, likely to be in the 12 to 15 year range
 - Be a member of a professional accounting body recognized by the International Qualifications Appraisal Board (IQAB) as having similar knowledge requirements as the UFE candidates' Competency Map
 - Be sponsored by an institute member

The candidate will need to write a special skills-based competency evaluation with a separate examination board similar to the UFE Board of Evaluators.

The profession is currently developing a pilot project to assess the viability of moving forward with the Evaluation of Experience initiative.

- **CA Qualification Assessment Tool**
A profession specific computer-based learning assessment tool that recognizes both academic credentials and relevant workplace learning. It is a full-blown prior learning assessment (PLAR) approach permitting academic recognition for prior experience. This tool will help candidates and the profession jointly identify any deficiencies applicants may have and assist in developing an appropriate learning program to help candidates achieve their goal of obtaining their CA.
- **CA Reciprocity Education Program**
A series of three online courses (tax, law, ethics and Rules of Professional Conduct) to help a select group of foreign trained professionals prepare for the CA Reciprocity Exam (CARE). This program will be available to professional accountants that are members of organizations that have been deemed essentially equivalent to Canadian CAs by IQAB.
- **CA Executive Professional Program**
A fast track executive professional program to help select foreign trained professionals prepare for the UFE in eight months.

Closing

We wish to take this opportunity to thank our faculty.

As noted at the beginning of this report, ASCA is essentially a virtual university. Our virtual faculty is comprised of an outstanding group of committed professionals drawn from academe, public practice, industry, consulting and the public sector. Many of these faculty members are listed on page 10 of the report and the modules with which they are associated.

We commented earlier on the significant changes to our program over the past few years: some required by external factors and some driven by Board initiatives. It is a true testament to the commitment, skills and abilities of our faculty that these changes have been implemented almost seamlessly. On behalf of the students, THANK YOU!

Management Discussion and Analysis

2011 financial statements

Net Assets

Net Assets at August 31, 2011 stand at \$751,729, comprised of: \$14,885 invested in Capital Assets, \$422,727 in Unrestricted Net Assets and \$314,117 in Internally Restricted Net Assets.

In June 2008, the Board of Directors internally restricted \$400,000 in Net Assets for future major program revisions. This recognized future major program revisions are likely as a result of either internally driven program reviews or changes to comply with National initiatives. Other regular and ongoing improvements and revisions to the program continue to be reflected in the annual Statement of Operations and flow through to the Statement of Net Assets as a drawdown of Unrestricted Net Assets.

Statement of Operations

Revenue

As noted in last year's Management Discussion and Analysis, we experienced a fifteen percent drop in new student registrations in 2010. Based on circumstances at that time, the ASCA Board of Directors believed without immediate action we would face significant annual operating losses in each of the next three years. To offset the impact of the decline in student volumes and bring us back to a balanced budget, the Board approved various fee increases in late 2010.

The Statement of Operations indicates an Excess of Revenue over Expenses for the year of \$86,692 as compared to a budgeted deficiency of \$32,000. The major variances occurred in the revenue area. We had an increase in the number of new students registering in the ASCA Program this year. We did not expect this increase as our 2010 employer canvass suggested student hiring would be flat at best. Course Fee revenue in 2011 is greater than budget because of (i) increased Module 1 enrolment (reflecting the increase in new student registrations) and (ii) higher enrolments in Modules 2, 3, 4 and FPP as a result of higher than expected module pass rates. Registration fees are also up over budget primarily because of higher new student registrations and an unexpected increase in students registering in the last six months of the year.

Expenses

Course related costs were under budget by \$23,000 or 4 per cent. Approximately \$13,000 of this amount was due to increased facilitation fees directly related to increased student volumes in Module 1.

The other significant expense variance occurred in CA Training Officer activities. We provide CA Training Office services on behalf of the five participating institutes. The demands on the CA Training Officer's time were lower than we anticipated and travel was less extensive.

Future Operations

As part of our budgeting and planning process, we identify business and other risks we face in the near and medium term.

ASCA faces various risks and challenges such as:

- **Fluctuating candidate numbers**
ASCA's financial results are very sensitive to changes in student numbers. Survey results indicated last year's fifteen percent drop in new student intake would stay at that new lower level for the next few years. We saw a spike up this year but it is uncertain what might happen to student numbers going forward. The regional and world economy faces serious challenges which could impact student hiring in the near to medium term.

- The Canadian CA profession is currently in preliminary merger discussions with Certified Management Accountants and Certified General Accountants in most regions of the Country. It is unclear what the final outcome of these discussions will be. The risk we face is related to the changes to pre-qualification education and experience that may arise out of these discussions.
- In addition to the merger discussions, the Canadian CA profession is in the midst of a significant strategic planning exercise. Many of the initiatives under consideration relate to experience, education and evaluation. Each of these initiatives carries some element of risk and opportunity for ASCA. We continue to monitor developments in these initiatives and assess their impact on ASCA.

Our financial position is strong. We are confident we are well positioned to deal with these and any other risks that might arise going forward.

EVALUATION SUMMARY

ASCA offers both Professional and University Level courses listed below:

PROFESSIONAL COURSES

	Number Writing	% Pass	High Mark	Median Mark
Fall 2010				
Module 2	159	90%	91	69
Winter 2011				
Module 3	151	89%	90	68
Spring 2011				
Module 4	142	96%	95	78
Summer 2011				
Module 1	186	92%	93	73

UNIVERSITY LEVEL COURSES

	Number Writing	% Pass	High Mark	Median Mark
Fall 2010				
Advanced Financial Accounting	8	63%	84	61
Summer 2011				
Advanced Financial Accounting	18	78%	93	72
Tax Technical	32	91%	92	80

2010 SUCCESSFUL CANDIDATES

The Institute of Chartered Accountants of Bermuda
Dorielle Battersbee-Hurdle

The Institute of Chartered Accountants of Newfoundland and Labrador

Gillian Carol Andrews
Samantha Attwood
Daniel Francis Burke
Mark Carew
Heather Eleanor Comerford
William Dawe
Ross Foley
MaryBeth Handrigan
Paul Raymond McCarthy
Adam McDonald
Stephen Mercer
James Nelson
Andrew Orsborn
David Phillips
Maria Kathleen Quigley
Jeffrey Quinlan
Mark Seaborn
Melanie Shea
Ryan Sparrow
Ian David Stark
Jonathan Walsh
Todd White

The Institute of Chartered Accountants of Nova Scotia

Jennifer Bond
Katie Brewer
Jacqueline Burgess
Kimberley Campbell
Andrew Case
Alexander Christianson
Matthew Colavecchia
Brittany Coughran
Jonathan Crawford
Michael Crosby
Kyle Dunn
Lindsey Gallivan
Laura Gay
Michael Grandy
Erin Gullage
Kimberly Hartlin
Christopher Richard Heans

Thomas Hughes
Michelle Lamont
Jessica Langille
Jeff Edgar Lanthier
Kelsi LeBlanc
Cody Lohnes
Jordan MacDonald
Matthew MacDonald
Rebecca MacKenzie
Michael MacLeod
Jennifer MacNeil
Elizabeth MacPhee
Emily MacRae
Travis MacRae
Heather Madonna Maddigan
Laura McCarthy
Lynnette McCormack
Beth McLean
Michael Metcalfe
Heather Murphy
Jillian Newton
Daniel O'Grady
Adam Oakley
Lois Oyuko
Andrew Perkins
Nicole Poole
Phillip Pottie
Adam Power
Marc Power
Meagan Sanford
Brennan Stewart
David Stewart
Eric Sullivan
Steven Taylor
Chelsea Walsh
Robert Worrell

The Institute of Chartered Accountants of Prince Edward Island

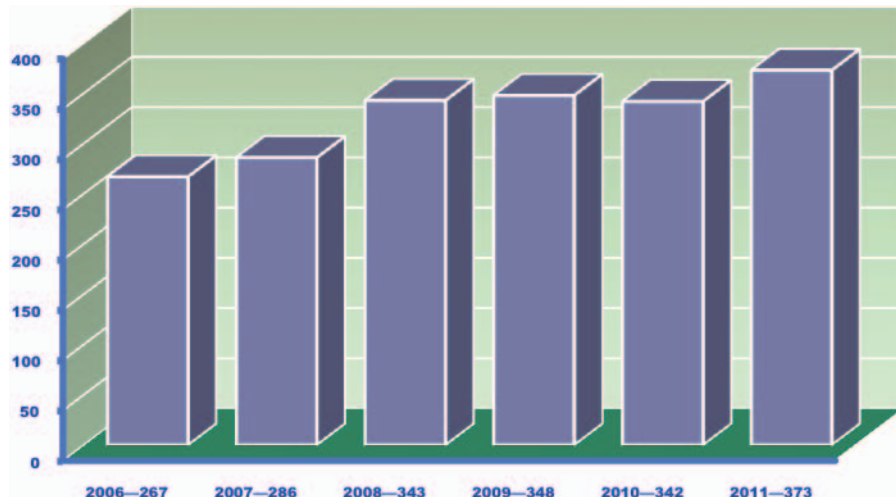
Ashley Bower
Blake Orville Crockett
David Enman
Allison Frizzell
Annie Gallant
Angela Gill
James Holland
David Jordan
Kati McCarvill

Cheryl Mosher
Michelle Murphy
Matthew Alexander Praught
Ben Ramsay

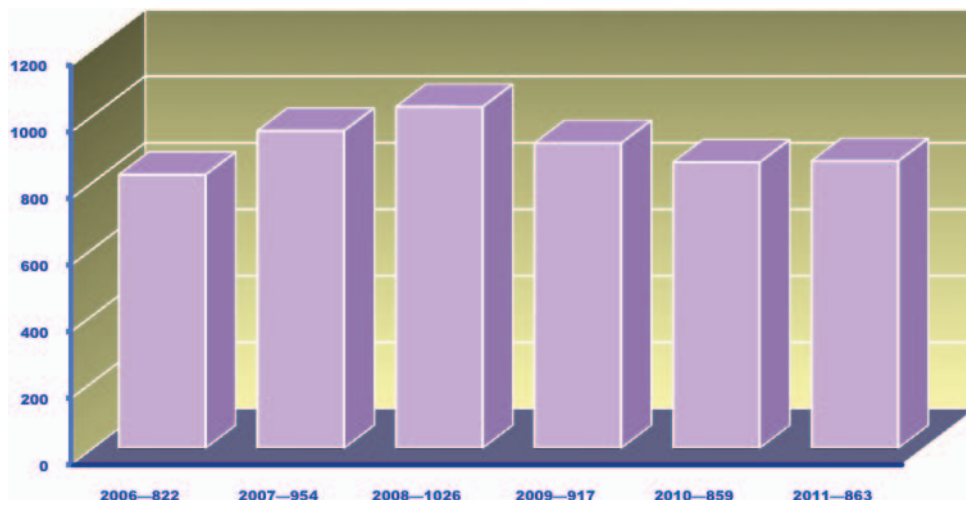
The New Brunswick Institute of Chartered Accountants

Connor Boyd
Jared Burns
Meagan Carkner
Bevin Champion
Julie Chevarie
Mélanie Comeau
André Cyr
Sarah Daigle
Matthew Derrah
Timothy Dohaney
Patrick English
Christy Foster
Andrée Guitard
Benjamin Hawkins
Nicholas Hierlihy
Christina Margaret Hines
Sheldon Ronald Houle
Michel Landry
Matthew Lawrence
January Lynch
Lori MacNaughton
Matthew Mahoney
Brent Maloney
Donald McEwen
Craig McLaughlin
Jon Morrison
Alan Rivers-Bowerman
Warren Stevens
Cassandra Thériault
Stacey Marie Thomas
Lun Tian
Katie Wasson

STUDENT POPULATION AT AUGUST 31



COURSE SEATS



LECTURERS 2010 – 2011

Fall 2010

ADVANCED FINANCIAL ACCOUNTING

Pat Corkum, MBA, CA
Robert Maher, MBA, FCA

MODULE 2

Coordinator

Lori Weatherbie, CA

Facilitators

Laura Cumming, CA
Tammy Crowell, MBA, CA
Colleen Menchions, CA
Jason Varner, CA
Jill Devanney, CA
Jill MacDonald, CA
Rob Jeffery, CA
Heather Sceles, CA

Winter 2011

MODULE 3

Coordinator

Lori Weatherbie, CA

Facilitators

Jill Devanney, CA
Katie Brine, CA
Colleen Menchions, CA
Donna Gunn, CA
Jason Varner, CA
Rob Jeffery, CA
Jill MacDonald, CA
Tammy Crowell, CA
Blair Cook, CA

Spring 2011

MODULE 4

Coordinator

Lori Weatherbie, CA

Facilitators

Katie Brine, CA
Donna Gunn, CA
Rob Jeffery, CA
Paul Pettigrew, CA
Jason Varner, CA
Kevin Yuill, CA
Tammy Crowell, CA
Jill MacDonald, CA
Colleen Menchions, CA

Summer 2011

ADVANCED FINANCIAL ACCOUNTING

Pat Corkum, MBA, CA
Robert Maher, MBA, FCA

TAX TECHNICAL

Coordinator

Chris Britton, CA

Lecturers

Jeff Christian, CA
Jason Hale, CA

MODULE 1

Coordinator

Jill Devanney, CA

Lecturers

Laura Cumming, CA
Blair Cook, MBA, CA
Tammy Crowell, MBA, CA
Paul Morris, CA
Jill MacDonald, CA
Heather Sceles, CA
Donna Gunn, CA
Colleen Menchions, CA
Lori Weatherbie, CA

FINALIST PREPARATION PROGRAM

Coordinator

Paul Morris, CA

Lecturers

Tammy Crowell, MBA, CA
Donna Gunn, CA

TECHNICAL RESOURCE

Judy Cumby, FCA

***UFE Honour Roll — ASCA
and
The Brian A. Rogers Award***



Kimberly Hartlin
Deloitte & Touche LLP
Halifax, NS

Top Grades

Professional Modules 2010 - 2011

MODULE 2 **FALL 2010**



Meika Matthews
Lyle Tilley Davidson
Halifax, NS

MODULE 3 **WINTER 2011**



Nicholas Chestnut
Grant Thornton LLP
Truro, NS

MODULE 4 **SPRING 2011**



Stephanie Smith
WBLI Chartered Accountants
Bedford, NS

MODULE 1 **SUMMER 2011**



Michael Belliveau
Belliveau Veinotte Inc
Bridgewater, NS

David Hope Honor Roll 2010 Recipients

Jennifer Mae Bond
WBLI Chartered Accountants
Bedford, NS

Jacqueline Anne Burgess
Ernst & Young LLP
Halifax, NS

Mark William Carew
PricewaterhouseCoopers LLP
St. John's, NL

Alexander Robert Christianson
PricewaterhouseCoopers LLP
Halifax, NS

Patrick John English
J.D. Irving, Limited
Saint John, NB

David Leslie Enman
MRSB Chartered Accountants
Charlottetown, PE

Lindsey Victoria Gallivan
KPMG LLP
Halifax, NS

Erin Elizabeth Gullage
PricewaterhouseCoopers LLP
Halifax, NS

MaryBeth Handrigan
Deloitte & Touche LLP
St. John's, NL

Kimberly Jean Hartlin
Deloitte & Touche LLP
Halifax, NS

Benjamin Malcolm Hawkins
Teed Saunders Doyle & Co.
Fredericton, NB

Craig Theodore McLaughlin
Grant Thornton LLP
Fredericton, NB

Michelle Lynn Murphy
Grant Thornton LLP
Charlottetown, PE

James John Nelson
Gardner Coombs Winsor Coombs
St. John's, NL

Andrew Perkins
Wheelans White, Chartered Accountants Inc.
Yarmouth, NS

Marc Power
Deloitte & Touche LLP
Halifax, NS

Alan Rivers-Bowerman
J.D. Irving, Limited
Saint John, NB

Mark Walter Seaborn
Ernst & Young LLP
St. John's, NL

Steven Ellis Taylor
KPMG LLP
Halifax, NS

Chelsea Marie Walsh
PricewaterhouseCoopers LLP
Halifax, NS

Katie Amanda Wasson
Teed Saunders Doyle & Co.
Fredericton, NB

Independent Auditors' Report

To the Members of

The Atlantic School of Chartered Accountancy

We have audited the accompanying financial statements of The Atlantic School of Chartered Accountancy, which comprise the statement of financial position as at August 31, 2011 and the statement of changes in net assets, statement of operations and the 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 the 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 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 an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Atlantic School of Chartered Accountancy as at August 31, 2011 and its financial performance, results of its operations and cashflows for the year then ended in accordance with Canadian generally accepted accounting principles.


CHARTERED ACCOUNTANTS

November 25, 2011

Dartmouth, Nova Scotia

Management Responsibility

All information in the annual report is the responsibility of management. The financial statements of ASCA have been prepared by management in accordance with Canadian generally accepted accounting principles and have been approved by the Board of Directors. The significant accounting policies are summarized in the notes to the financial statements.

The accounting systems employed by ASCA include an appropriate system of internal controls to provide reasonable assurance that transactions are properly authorized. Assets are protected from loss and unauthorized use, and financial records are complete and properly maintained to provide reliable and timely information in the preparation of financial statements and other data.

The Audit Committee reviews the annual financial statements and recommends them to the Board of Directors for approval. In addition, the Audit Committee meets periodically with ASCA management and the external auditors and reports to the Board of Directors thereon.

The accompanying financial statements have been audited by Rector Colavecchia Roche, whose appointment was ratified at the annual general meeting of the Members. The auditors have access to the Board of Directors, without management present, to discuss the results of their work.



J. D. Trainor, FCA
Executive Director

Atlantic School of Chartered Accountancy
Statement of Financial Position
August 31, 2011


	2011	2010
Assets		
Current		
Cash	\$ 862,832	\$ 918,914
Temporary Investments (Note 4)	—	223,823
Accounts receivable (Note 5)	16,900	13,888
Inventory	3,282	1,827
Prepaid expenses	<u>14,071</u>	<u>14,858</u>
	897,085	1,173,310
Capital assets (Note 6)	<u>14,885</u>	<u>21,694</u>
	<u>\$ 911,970</u>	<u>\$1,195,004</u>
Liabilities		
Current		
Accounts payables and accrued liabilities	\$ 129,266	\$ 348,488
Deferred revenue	<u>30,975</u>	<u>181,479</u>
	<u>160,241</u>	<u>529,967</u>
Net Assets		
Invested in capital assets	14,885	21,694
Unrestricted	422,727	329,226
Internally restricted (Note 7)	<u>314,117</u>	<u>314,117</u>
	<u>751,729</u>	<u>665,037</u>
	<u>\$911,970</u>	<u>\$1,195,004</u>

See accompanying notes to the financial statements.

On Behalf of the Board



 Chair



 Treasurer

**Atlantic School of Chartered Accountancy
Statement of Operations
for the year ended August 31, 2011**

	Unaudited Budget	2011 Actual	2010 Actual
Revenue			
Course fees	\$ 701,135	\$ 790,463	\$ 656,916
Registration and processing fees	321,400	336,824	320,040
Institute funding (Note 8)	—	—	37,410
Other, net (Note 9)	6,400	17,718	13,563
	<u>1,028,935</u>	<u>1,145,005</u>	<u>1,027,929</u>
Expenses			
Course related costs (schedule)	541,693	565,658	565,554
Personnel and consulting	355,400	360,662	345,862
Meetings and travel	37,400	30,062	36,423
Occupancy	37,835	38,236	36,134
CA Training Officer (Note 8)	45,000	28,285	34,738
Office and miscellaneous	15,000	14,567	15,796
Printing and stationery	15,000	14,478	20,914
Amortization	7,920	6,809	7,483
Telephone	10,440	9,894	9,338
Professional fees	7,500	6,290	6,275
	<u>1,073,188</u>	<u>1,074,941</u>	<u>1,078,517</u>
Excess (Deficiency) of revenue over expenses from operations	(44,253)	70,064	(50,588)
Investment income	12,000	16,628	17,853
Excess (Deficiency) of revenue over expenses for the year	<u>\$ (32,253)</u>	<u>\$ 86,692</u>	<u>\$ (32,735)</u>

See accompanying notes to the financial statements.

**Atlantic School of Chartered Accountancy
Statement of Changes in Net Assets
for the year ended August 31, 2011**

	Invested in Capital Assets	Unrestricted	Internally Restricted (Note 7)	2011 Total	2010 Total
Balance, beginning of year	\$21,694	\$329,226	\$314,117	\$665,037	\$697,772
Amortization of capital assets	(6,809)	6,809	—	—	—
Excess (Deficiency) of revenue over expenses for the year	—	86,692	—	86,692	(32,735)
Balance, end of year	<u>\$ 14,885</u>	<u>\$ 422,727</u>	<u>\$ 314,117</u>	<u>\$751,729</u>	<u>\$665,037</u>

**Atlantic School of Chartered Accountancy
Statement of Cash Flows
for the year ended August 31, 2011**

	2011	2010
Cash provided by operating activities		
Excess (Deficiency) of revenue over expenses for the year	\$ 86,692	\$ (32,735)
Amortization of capital assets	6,809	7,483
(Increase) Decrease in accounts receivable	(3,012)	33,065
(Increase) Decrease in inventory	(1,455)	2,984
Decrease (Increase) in prepaid expenses	786	(1,475)
Decrease in accounts payable and accrued liabilities	(219,221)	(115,323)
Decrease (Increase) in deferred revenue	(150,504)	90,654
Net cash used in operating activities	<u>(279,905)</u>	<u>(15,347)</u>
Investing activities		
Purchase of capital assets	—	(798)
Sale of investments	—	300,000
Sale (Purchase) of temporary investments	223,823	(17,284)
	<u>223,823</u>	<u>281,918</u>
(Decrease) Increase in cash for the year	(56,082)	266,571
Cash, beginning of year	<u>918,914</u>	<u>652,343</u>
Cash, end of year	<u>\$862,832</u>	<u>\$918,914</u>

See accompanying notes to the financial statements.

Atlantic School of Chartered Accountancy

Notes to Financial Statements

for the year ended August 31, 2011

1. Purpose of the organization

The Atlantic School of Chartered Accountancy (ASCA) is a professional, post-baccalaureate, cooperative education program for students wishing to qualify as Chartered Accountants in Atlantic Canada and Bermuda. ASCA is incorporated under the Nova Scotia Societies Act as a not for profit organization and is a designated educational institution under the Income Tax Act.

2. Significant accounting policies

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect 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 revenue and expenses during the period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from those estimates.

Inventory

Inventory is comprised of textbooks and is recorded at the lower of cost and net realizable value.

Capital Assets

Capital assets are carried at cost with amortization recorded on a straight-line basis using the following rates:

- Furniture and equipment—10% per year
- Computers/photocopiers—20% per year
- Leasehold improvements—term of the lease

Investments

Effective September 1, 2008, ASCA adopted the recommendations of CICA 3855: Financial Instruments—Recognition and measurement. Investments and Temporary Investments are classified as financial instruments held for trading and are carried at fair market value.

Revenue Recognition

Revenue is recognized in the period in which the service is provided or product shipped. In instances where payment is received prior to performing the service or shipping the product, the prepayment is recorded as deferred revenue.

Contributed Services

The work of ASCA is dependent on the voluntary service of the members of the board. The value of this service is not recognized in these financial statements.

3. Financial instruments

ASCA's financial instruments consist of cash, accounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that ASCA is not exposed to significant interest, currency, market or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

ASCA elects to disclose its exposure to risk and its risk management policies in accordance with CICA 3861, Financial Instruments – presentation and disclosure.

Notes to Financial Statements Continued

4. Temporary Investments

	2011	2010
Guaranteed Investment Certificate, 4.2%, maturing August 29, 2011	—	\$150,000
Treasury Bill Fund	—	73,823
	—	\$223,823

5. Accounts Receivable

	2011	2010
Trade receivables	\$13,925	\$12,733
Due from ICANS	2,975	1,155
	\$16,900	\$13,888

6. Capital assets

	Cost	Accumulated Amortization	Net Book Value	
			2011	2010
Furniture and equipment	\$ 49,502	\$ 46,110	\$ 3,392	\$ 3,968
Computers/photocopiers	75,176	75,176	—	2,405
Leasehold improvements	26,805	15,312	11,493	15,321
	\$151,483	\$136,598	\$14,885	\$21,694

7. Internally restricted net assets

In June 2008, the Board of Directors appropriated \$400,000 of net assets to provide for future major professional program revisions relating to periodic strategic program initiatives adopted by the Board of Directors. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors. The Statement of Changes in Net Assets reflects strategic program expenditures totaling \$85,883 in 2009 and 2010.

8. Institute Funding

ASCA provides the Institutes of Chartered Accountants of Bermuda, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island and the New Brunswick Institute of Chartered Accountants with the services of a Chartered Accountant Training Office (CATO) liaison officer. The institutes provided “start-up” funding for this activity on the basis of \$10 per prime member. The 2010 amount of \$37,410 reflects the amount of funding received under this arrangement.

The expenses incurred to provide CA Training office services in the 2011 and 2010 fiscal years amounted to \$28,285 and \$34,738 respectively.

9. Other, net revenue

	Revenue	Direct Costs	2011 Net	2010 Net
Residence	\$128,505	\$126,936	\$1,569	\$ 178
Texts and materials	46,537	36,715	9,822	11,551
Miscellaneous	6,327	—	6,327	1,834
	\$181,369	\$163,651	\$17,718	\$13,563

Notes to Financial Statements

Continued

10. Commitment

ASCA's office space is leased under an agreement expiring June 2014. The annual minimum rent commitments over the next three years are as follows:

2012 - \$17,900
2013 - \$15,600
2014 - \$15,600

**Atlantic School of Chartered Accountancy
Schedule of Direct Operating Expenses
for the year ended August 31, 2011**

	Unaudited Budget	2011 Actual	2010 Actual
Course revisions	\$ 95,000	\$ 99,284	\$108,217
Lecture fees	166,190	188,832	169,024
FPP simulations	59,500	55,397	70,124
Evaluations (net)	60,715	64,472	68,656
CICA publications	26,500	26,268	29,060
Marking—assignments	41,738	56,973	45,030
Coordination	25,000	20,103	19,038
Course website	12,300	12,300	12,300
Lecturers' travel	15,000	10,557	9,317
Postage and delivery	10,000	6,971	8,588
Room and equipment rentals	12,750	14,783	11,304
Facilitator training	5,000	1,619	4,375
Miscellaneous	3,000	4,845	3,472
Lecturers' workshop	6,000	3,254	4,801
Graduate advisory focus group	3,000	—	2,248
	<u>\$541,693</u>	<u>\$565,658</u>	<u>\$565,554</u>