

**Institute of Chartered Accountants of the Northwest Territories  
and Nunavut**

FINANCIAL STATEMENTS

March 31, 2009

# Institute of Chartered Accountants of the Northwest Territories and Nunavut

## Index to financial statements

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March 31, 2009

**Page**

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Management's responsibility for financial reporting	3
Auditor's report	4
Statement of revenue, expenses and net assets	5
Schedule 1 - Net expenses by function	6
Statement of financial position	7
Statement of cash flow	8
Notes to the financial statements	9-12

Kevin MacIntyre  
Chartered Accountant

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**AUDITOR'S REPORT**

**To the Members of the  
Institute of Chartered Accountants of the Northwest Territories and Nunavut**

I have audited the statement of financial position of Institute of Chartered Accountants of the Northwest Territories and Nunavut as at March 31, 2009 and the statements of revenue, expenses and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Institute's Council. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2009 and the results of its operations and the changes in its cash resources for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANT

Yellowknife, Northwest Territories  
August 12, 2009

## Management's Responsibility for Financial Reporting

The accompanying financial statements of the Institute of Chartered Accountants of the Northwest Territories and Nunavut (ICANWT/NU) and all of the information in this annual report are the responsibility of the management.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate under the circumstances to ensure that the financial statements are presented fairly in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

ICANWT/NU maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Institute's assets are appropriately accounted for and adequately safeguarded.

Council is responsible for ensuring that the responsibility for financial reporting and is ultimately responsible for the financial statements.

Council reviews and approves the annual financial statements and other information contained in the annual report. The Council meets with external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy itself that each party is discharging its responsibilities properly and to external auditors, which is reviewed by Council and approved by members.

The financial statements have been audited by Kevin MacIntyre, Chartered Accountant, in accordance with Canadian generally accepted auditing standards, on behalf of the members. Kevin MacIntyre, Chartered Accountant has full and free access to the Council.



## Institute of Chartered Accountants of the Northwest Territories and Nunavut

### Statement of Revenue, Expenses and Net Assets

For the year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
<b>Revenue</b>			
Members dues:	\$ 22,600	\$ 42,994	\$ 38,890
Deduct amounts collected on behalf of			
Canadian Institute of Chartered Accountants	-	(16,465)	(18,245)
	22,600	26,529	20,645
Admission fees	1,200	1,350	1,650
Interest and other	1,700	1,467	2,388
Late and readmission fees	375	600	825
Practising office fees	3,000	3,850	3,200
	28,875	33,795	28,708
<b>Expenses</b>			
Annual general meeting (schedule 1)	5,100	1,738	2,062
General governance and administration (schedule 1)	12,950	11,424	17,798
Member services and education (schedule 1)	40,600	30,670	31,812
	58,650	43,831	51,672
<b>Excess (deficiency) of revenue over expenses</b>	(29,775)	(10,036)	(22,964)
<b>Balance, unrestricted net assets, beginning of year</b>	49,739	49,739	72,703
<b>Balance, unrestricted net assets, end of year</b>	\$ 19,964	\$ 39,703	\$ 49,739

# Institute of Chartered Accountants of the Northwest Territories and Nunavut

## Schedule 1 - Net expenses by function

For the year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
<b>Annual general meeting</b>			
Annual general meeting event	6,400	1,738	2,290
Less: AGM revenue	(1,300)	-	(228)
	<b>5,100</b>	<b>1,738</b>	<b>2,062</b>
<b>General governance and administration</b>			
Audit Fees	-	2,500	2,500
Bad debts	-	217	-
Bank charges	250	99	115
Council meetings	800	761	1,703
Donations	-	-	200
Executive assistant	5,000	5,348	7,542
Office supplies	300	286	2,094
Photocopies	200	43	1,001
Postage and courier	450	130	539
Telephone and fax	950	938	936
Travel	5,000	1,100	1,168
	<b>12,950</b>	<b>11,424</b>	<b>17,798</b>
<b>Membership services and education</b>			
Advertising	6,000	5,650	4,857
Handbook and bylaws	1,000	-	-
Inter-provincial services	600	1,711	1,564
Legal fees	25,000	21,510	23,569
Membership services	700	322	1,105
Professional development	1,500	-	-
Professional functions	-	882	-
Scholarship	5,000	1,500	4,500
Website development	800	320	-
	40,600	31,895	35,595
Less: Professional development fees revenue	-	(1,226)	(3,783)
	<b>40,600</b>	<b>30,670</b>	<b>31,812</b>


**Institute of Chartered Accountants of the Northwest Territories and Nunavut**


**Statement of Financial Position**

**As at March 31, 2009**

	2009	2008
<b>ASSETS</b>		
<b>Current</b>		
Cash and short term investments	\$ 58,172	\$ 48,529
Accounts receivable	962	5,218
	59,134	53,747
<b>Restricted cash</b>	12,751	12,550
	<b>\$ 71,885</b>	<b>\$ 66,297</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable	\$ 19,431	\$ 4,008
Deferred contribution (Note 2)	12,751	12,550
	32,182	16,558
<b>NET ASSETS</b>		
<b>Unrestricted</b>	39,703	49,739
	<b>\$ 71,885</b>	<b>\$ 66,297</b>

Approved on behalf of the council

  
 \_\_\_\_\_ President

  
 \_\_\_\_\_ Treasurer

# Institute of Chartered Accountants of the Northwest Territories and Nunavut

## Statement of Cash Flows

For the year ended March 31, 2009

	2009	2008
<b>Cash received (paid) for operating activities</b>		
Dues and fees received	\$53,050	\$45,585
Interest and other income	1,667	2,388
Cash paid to suppliers	(44,873)	(74,207)
Cash from (for) operating activities	9,844	(26,235)
<b>Increase (decrease) in cash and short-term investments</b>	9,844	(26,235)
<b>Cash and short-term investments, beginning of year</b>	61,079	87,314
<b>Cash and short-term investments, end of year</b>	\$70,923	\$61,079
<b>Represented by:</b>		
Cash	\$11,204	\$3,850
Short-term investments	46,969	44,679
Restricted cash	12,751	12,550
	\$70,923	\$61,079

# Institute of Chartered Accountants of the Northwest Territories and Nunavut

## NOTES TO THE FINANCIAL STATEMENTS

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For the year ended March 31, 2009

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The Institute of Chartered Accountants of the Northwest Territories and Nunavut (ICANWT/NU) is a self-regulating, self-governing professional organization for the Northwest Territories and Nunavut chartered accountants. The Northwest Territories and Nunavut Institute of Chartered Accountants Acts give the ICANWT/NU the authority to govern its members. Established in 1977 the ICANWT/NU serves to protect the public interest and trust by upholding the Institute of Chartered Accountants Acts and by providing financial leadership to its members. As a not-for-profit organization under the Income Tax Act, the Institute is not subject to income taxes. The following is a summary of the significant accounting policies used by the Institute in the preparation of these financial statements.

### 1 Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies are described below.

#### (a) Financial Instrument

##### Classification of Financial Instruments

Upon adopting Section 3855, financial assets and liabilities were classified as held-for-trading, held-to-maturity, available-for-sale or loans and receivables and our financial liabilities as held-for-trading or other financial liabilities.

##### Held-for-Trading

A financial instrument that is acquired or principally for the purpose of selling or repurchasing in the near term is required to be classified as held-for-trading. These instruments are recorded at their fair value with realized and unrealized gains and losses included in income. Cash and short-term investments and restricted cash have been classified as held-for-trading.

##### Available-for-Sale

Assets that are not actively traded, but may still be sold as a result of changes in market conditions or for liquidity purposes are classified as available-for-sale. These assets are accounted for at fair value with any unrealized gains and losses recorded in comprehensive income. The Institute has no assets designated as available-for-sale.

##### Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets, other than those assets that meet the definition of loans and receivable, with fixed or determinable payments and a fixed maturity, which an entity has the positive intention and ability to hold-to-maturity. These investments are recorded at amortized cost. The Institute has no investments recorded as held to maturity.

# Institute of Chartered Accountants of the Northwest Territories and Nunavut

## NOTES TO THE FINANCIAL STATEMENTS

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For the year ended March 31, 2009

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### 1 Significant Accounting Policies (continued)

#### Financial Instruments (continued)

##### Loans and Receivables

Loans that are not actively traded are required to be classified as loans and receivables and are accounted for at amortized cost using the effective interest rate method. Accounts receivable have been reclassified as loans and receivables.

##### Other Financial Liabilities

The remainder of our financial liabilities have been classified as other financial liabilities. These liabilities are accounted for at fair value and amortized using the effective interest rate method. Accounts payable has been classified as other liabilities.

#### (b) Revenue Recognition

Membership and admission fees for new members are recognized as revenue when the member is admitted into membership. Fees for late payment of dues are recorded when received.

#### (c) Recognition of Contributions

The ICANWT/NU follows the deferral method in accounting for contributions. Restricted contributions are recognized as revenue in the year which the related expenses are incurred. Unrestricted contributions are recognized as revenue when the amount to be received can be reasonably estimated and its collection is reasonably ensured.

#### (d) Donated Services

The ICANWT/NU is dependent upon the voluntary services of many members and the public representative on Council. Donated services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such services.

#### (e) Short Term Investments

Short term investments consist of guaranteed investment certificates capable of prompt liquidation. These investments are recorded at fair value. Using the held-for-trading method, investment income includes interest income, realized and unrealized gain and losses.

#### (f) Cost Recoveries

Costs of professional conduct matters are expensed as incurred, any recovery of such costs are recognized when collection is certain.

#### (g) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the amounts of revenues and expenses during the year. Actual results could differ from these estimates.

# Institute of Chartered Accountants of the Northwest Territories and Nunavut

## NOTES TO THE FINANCIAL STATEMENTS

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For the year ended March 31, 2009

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### 2 Deferred contribution

The list of contributors below donated \$12,550 to the ICANWT/NU as part of the 25th anniversary celebrations. The donation was intended to fund a scholarship. Council has decided that students enrolled in the Chartered Accountant School of Business who achieve a grade of distinction on any completed module can apply for a \$300 scholarship. The cash has been put in guaranteed investment certificates.

The contributors to the scholarship included:

- The Canadian Institute of Chartered Accountants
- Ordres des Comptables Agrées du Quebec
- The Institute of Chartered Accountants of Alberta
- The Institute of Chartered Accountants of Bermuda
- The Institute of Chartered Accountants of British Columbia
- The Institute of Chartered Accountants of Manitoba
- The Institute of Chartered Accountants of Ontario
- The Institute of Chartered Accountants of Saskatchewan
- The Institute of Chartered Accountants of Yukon Territory
- Chartered Accountants Education Foundation

### 3 Financial Instruments

#### Fair value

Financial instruments are comprised of cash, temporary investments, accounts receivable and all current liabilities, the fair values of which approximate their carrying amounts due to short-term maturity or capacity for prompt liquidation. Interest rates on short-term investments range from 1% to 4.4%. These investments mature at various dates between November 2009 and February 2010.

#### Credit risk

Credit risk associated with cash and short-term investments is minimized substantially by ensuring that these assets are invested in a major financial institution.

Credit risk associated with accounts receivable is minimized by the low number of receivables carried by the Institute and the credit quality of the parties extended credit.

#### Liquidity risk

The Institute meets its liquidity requirements by preparing a detailed budget including anticipated financing and investing activities and holding assets that can be readily converted into cash.

#### Market risk

The Institute is exposed to market risk through the fluctuation of financial instrument values due to changes in market prices. The significant risk that the Institute is exposed to is interest rate risk.

#### Interest rate risk

The Institute manages the interest rate exposure of its fixed income investments by purchasing securities with terms under one year and varying maturity dates.

# Institute of Chartered Accountants of the Northwest Territories and Nunavut

## NOTES TO THE FINANCIAL STATEMENTS

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For the year ended March 31, 2009

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### 4 Capital Disclosures

The Institute's objectives in managing capital are:

- (a) To safeguard the Institute's ability to continue as a going concern, so that it can continue to provide returns for members and benefits for the community.
- (b) To provide an adequate return on investment of capital by pricing products and services commensurately with the level of risk.

The Institute manages the capital structure in the light of changes in economic conditions and the risk characteristic of the underlying assets. The Institute monitors capital on the basis of the working capital. The working capital is calculated as current assets minus current liabilities as follows:

	2009	2008
Current assets	\$ 59,335	\$ 53,747
Current liabilities	31,981	16,558
	\$ 27,354	\$ 37,189

### 5 Future Accounting Change

#### International Financial Reporting Standards

The Accounting Standards Board has announced that all Canadian reporting entities, subject to certain exceptions which include not-for-profit organizations will adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The Institute of Chartered Accountants of the Northwest Territories and Nunavut, at its option, may adopt IFRS if it chooses. The Institute is currently evaluating the implication of the adoption of these new standards.