



Setting a higher standard for the  
Calgary investment community

# 2011 Annual Report





## 2010—2011 Officers

### President

**Robert Cooper, CFA**  
*Mackie Research*

### Vice President

**Derek Wheatley, CFA**  
*Scotia Capital*

### Treasurer

**James Cole, CFA**  
*Portland Investment Counsel*

### Secretary

**Duncan Au, CFA**  
*Central Alberta Well Services Corp.*

## Directors

### Advocacy

**Ada Litvinov, CFA**  
*Mawer Investment Management*

### Candidate Preparation

**Duncan Au, CFA**  
*Central Alberta Well Services Corp.*

### Membership

**Tricia Leadbeater, CFA**  
*Macquarie Capital Markets*

### Professional Development Co-Chair

**Carl Landry, CFA**  
*ARC Financial Corporation*

### Professional Development Co-Chair

**Justin Charbonneau, CFA**  
*Matco Financial Inc.*

### Programs Co-Chair

**Chris Hooper, CFA**  
*KERN Partners*

### Programs Co-Chair

**Matthew Andrade, CFA**  
*Kinnear Financial Ltd.*

### Public Awareness

**David Vanka, CFA**  
*Dundee Capital Markets*

### Sponsorship

**Rob Kaczanowski, CFA**  
*Enbridge*

### University Liaison/ Global IRC

**Duncan Au, CFA**  
*Central Alberta Well Services Corp.*

# CCFAS Mission

To advance the interests of the global investment community by establishing and maintaining the highest standards of professional excellence and integrity.

# CCFAS Vision

The vision of the Calgary CFA Society is:

- To be acknowledged as a distinct, leading edge CFA Institute chapter
- To advance CFA Institute's Code of Ethics and Standards of Professional Conduct within the CCFAS membership, regulatory bodies and the broader financial community
- To effectively market the CCFAS, its vision, mission and guiding principles to the investment community and the public at large
- To support CFA candidates and provide high quality programs, services and positive experiences for CCFAS members
- To encourage active participation by CCFAS members in the society
- To continue to host events such as the Annual Forecast Dinner

# Guiding Principles

The Calgary CFA Society (CCFAS) was established in 1976. As one of the CFA Institute member societies, our society connects members to a global network of investment professionals.

CCFAS will abide by the following principles when considering and/or implementing the mission:

- We will reflect the CFA Institute vision and the CCFAS mission in our actions
- We will reinforce the CFA Institute's Code of Ethics and Standards of Professional Conduct
- We will continue to be an active volunteer-based organization
- We will be a leading provider of programs for CCFAS members
- We will offer assistance and support to those enrolled in the CFA program



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Robert Cooper, CFA  
President

## President's Message

Dear fellow members of the CCFAS:

I am pleased to report that the Calgary CFA Society has had another successful year.

The Society ran another robust schedule of events throughout the year including 13 program lunches, three forecast events (a dinner and two breakfasts), nine professional development seminars, one conference and an assortment of networking events for both members and candidates. Our goal is to provide a diverse cross section of events and seminars that provide functional skills, networking opportunities and topical events featuring leading financial professionals.

I am also pleased to report that the Society is in excellent financial health. As a non profit society, our goal is to provide value added events that are affordable for members while maintaining the financial strength and flexibility of the Society. Boards past and present have taken great care in managing your Society's balance sheet and this year was no different. As the Society moves forward over the coming years, the Board will be in the enviable position of determining how best to reinvest a portion of our surplus into our membership. This "dividend" can take any number of forms ranging from lower pricing, higher profile speakers or more frequent networking events to name but a few. However, the Board does not operate in a vacuum and solicits your feedback as to what you would like to see and what is of most value to you, the member.

The Board continues to work closely with CFA Institute on a variety of items, including providing feedback to various bylaw changes that were recently passed at the CFA Institute's AGM in early May. We are a member driven organization and as such we will continue to represent our members' views to CFA Institute. Over the next year it is likely that CFA Institute will table a proposal concerning mandatory continuing education. We will ensure you remain fully informed of these potentially impactful changes.

As in every year, a portion of our Board moves on to pursue other opportunities. I would like to personally thank Brian Mayhew, Ada Litvinov and Tricia Leadbeater for their contribution to the Board over the past several years. I wish incoming President Derek Wheatley continued success; Derek has played an integral role in the Society's operations and strategy development over the past year. I'm confident he will do a fine job as President.

Finally, it has been my pleasure to serve as President of the Calgary CFA Society. As President I wanted to leave the Society just a little bit better than where it was one year ago and we accomplished that task. Furthermore, the opportunity to work with a motivated group of volunteers whose number one goal is to enhance the CFA brand has been enjoyable. I strongly encourage you to volunteer with the Society - I assure you it will be well worth the time.

Have a safe and enjoyable summer,

Robert Cooper, CFA  
President Calgary CFA Society



## Past Presidents

|                         |         |                              |           |
|-------------------------|---------|------------------------------|-----------|
| Gernot Schnegelsberg,   | 1976-77 | John N. Grecu, CFA           | 1993-94   |
| Alistair S. Thomson     | 1977-78 | William R. MacLachlan, CFA   | 1994-95   |
| Thomas H. Loucks        | 1978-79 | James F. Cameron, CFA        | 1995-96   |
| Gerald Cooper-Key, CFA  | 1979-80 | Debra Giles, CFA             | 1996-97   |
| David A. Bissett        | 1980-81 | Gary J. Feltham, CFA         | 1997-98   |
| Leighton F. Pullen, CFA | 1981-82 | Elizabeth F. Lunney, CFA     | 1998-99   |
| Randal L. Oliver, CFA   | 1982-83 | Kenneth W. Rowan, CFA        | 1999-2000 |
| Brian L. Gallen, CFA    | 1983-84 | Shondell J. Sabad, CFA       | 2000-01   |
| Wilfred A. Gobert, CFA  | 1984-85 | E.A. Tony Zaremba, CFA       | 2001-02   |
| John R. Rawlych, CFA    | 1985-86 | Elizabeth Hamilton-Keen, CFA | 2002-03   |
| Nancy Jane Grant, CFA   | 1986-87 | Stuart H. Parnell, CFA       | 2003-04   |
| Donald T. Ferris, CFA   | 1987-88 | Craig D. Senyk, CFA          | 2004-05   |
| Mary E. Waterous, CFA   | 1988-89 | Blaine A. Lennox, CFA        | 2005-06   |
| Ronald T. Abraham, CFA  | 1989-90 | Claudio R. Gagliardi, CFA    | 2006-07   |
| Mike A. Quinn, CFA      | 1990-91 | Wes Peters, CFA              | 2007-08   |
| Brian L. Ward, CFA      | 1991-92 | Robert C. Cook, CFA          | 2008-09   |
| Robert G.G. Currie, CFA | 1992-93 | Vern Malcolm, CFA            | 2009-10   |



Derek Wheatley, CFA  
Vice President

## Forecast Dinner

Our 34th Annual Forecast Dinner, held on January 20, 2011, was once again a success with over 1,000 attendees for the fifth year running. The event was hosted by Yoram Bauman, the Stand-up Economist and featured William Webb (EVP and CIO, Gluskin Sheff), Barry Allan (Founding Partner, Marret Asset Management) and M. Paul Bloom (President, Bloom Investment Counsel).

Defending their forecasts from last year in person were Sheryl King (Chief Canadian Economist, BAML) and Jan Stuart (Global Oil Economist, Macquarie), Lauriann Kloppenburg (CIO, Loomis Sayles) presented her defense by video.

At the Dinner, we presented the Forecaster of the Year Award to Kirk Wilson, CFA, who provided the following (impressively accurate) forecasts:

|                            |                            |                  |
|----------------------------|----------------------------|------------------|
| Oil Price: Actual: \$91.38 | Winner's Forecast: \$92.50 | Difference: 1.2% |
| Gas Price: Actual: \$4.23  | Winner's Forecast: \$4.25  | Difference: 0.5% |
| TSX Level: Actual: 13,443  | Winner's Forecast: 13,000  | Difference: 3.3% |
| S&P Level: Actual: 1,258   | Winner's Forecast: 1,250   | Difference: 0.6% |



M. Paul Bloom  
Bloom Investment Counsel

Our Volunteer of the Year Award was presented to Ross Bullock, a Dean's List student at Mount Royal College. Ross has tirelessly volunteered at several Society events, represented his school in the Global Investment Research Challenge and received a CFA Institute Student Scholarship.

Going forward, we are planning on making several changes to the Dinner, with the goal of providing more networking / client time for attendees as well as an earlier end to the evening. Please expect to see these changes implemented at next year's event. We thank all those that attended this year's Dinner and look forward to hosting another successful event next year.

Derek Wheatley, CFA  
Vice President



Barry Allan  
Marret Asset Management



William Webb  
Gluskin Sheff + Associates



# Professional Development Update

The Calgary CFA Society held nine successful professional development programs during the year ended June 30, 2011. Our suite of course offerings continues to grow with many new and original professional development opportunities brought to our membership over the past year including:

- Oil & Gas Financial and M&A Modeling by Arkady Libman of Wall Street Prep
- NEW - Interpreting an AIF, Understanding Royalties and New Resource Plays – Peter Sidey of Sproule Associates
- NEW – International Financial Reporting Standards by Tony Fattal of Knowledge Plus
- NEW – Oil Sands Modeling by Tim Benson and Jamie Wilkie of Marquee Group
- Held twice this year due to popular demand - Financial Modeling and Advanced Excel Analysis with Ian Schnoor of the Marquee Group
- The Private to Public Life-Cycle co-hosted by the Calgary CFA Society and the TMX Exchange and TMX Venture Exchange
- Financial Analysis and Valuation of the Oilfield Services Industry by Art Robinson of 32 Degrees Capital and Jeff Fetterly of CIBC World Markets
- NEW – The Impact of IFRS on Oil & Gas Reporting by Shane Doig of KPMG LLP

The Calgary CFA Society strives to bring our members professional development opportunities relevant to their careers and introduce new and exciting courses that meet the ever changing requirements of the job marketplace.

This year we hosted six new courses on a variety of topics our members identified as being important to their career development. We hosted three courses focused on IFRS, given the mandatory transition public companies had to make to this new reporting standard. We also hosted three industry specific courses related to Oil Sands modeling, funding options available to Junior Exploration and Production companies, and a technically oriented course focusing on the engineering and geological side of the business for the non-technical professional. These courses were facilitated by experienced and knowledgeable instructors and received very positive feedback from attendees.

Looking forward we are building another excellent course roster for 2011/12 with our popular Oil & Gas Financial and M&A Modeling course already scheduled for October 2011. We are excited to continue to bring the highest caliber course providers to our members and continue to support CFA Charterholders as recognized experts in financial analysis.

Carl Landry, CFA  
Justin Charbonneau, CFA  
Professional Development Co-Chairs



Carl Landry, CFA  
Professional Development  
Co-Chair



Justin Charbonneau, CFA  
Professional Development  
Co-Chair



## Programs Update

During the 2010-2011 year we were very pleased to present our membership and the greater Calgary business community with a slate of educational, entertaining, high quality lunch and breakfast sessions. We would not have been able to offer such an extensive series of events without the support of a number of important people and groups. First and foremost, we would like to thank the exclusive Programs sponsor of the Calgary CFA Society, the Toronto Stock Exchange and TSX Venture Exchange for their support this year. We would also like to thank our volunteer subcommittee, comprised of CFA charterholders from all walks of the Calgary business community. The subcommittee was instrumental in providing topic ideas and securing speakers for the year ensuring a full calendar of quality events. We would also like to thank Calgary CFA Society Events Coordinator Leslie Jerome for her tireless work making the events run smoothly; we would have been lost without her contributions.

The highlights of our lunch program lineup included:

- ◆ Dr. Ben Sopranzetti of Rutgers Business School – Newark and New Brunswick, New Jersey; Does Investor Psychology Matter: 17 Important Questions to Avoid Making Bad Investment Decisions
- ◆ Bill Gwozd, Vice President, Gas Services, Ziff Energy; Natural Gas Market Outlook: What's Happening Here and Beyond
- ◆ Todd Hirsch, Senior Economist at ATB Financial; Alberta Economy 2011: Five Trends that will Continue... and One that will Reverse
- ◆ Dr. Michael Robinson of the University of Calgary Haskayne School of Business; A Review of Canada's Private Equity Marketplace
- ◆ Dave Pope, President and CEO of Niska Gas Storage Management LLC; Enron 10 Years Later; An Insider's Perspective
- ◆ Al Rosen of the Accountability Research Corp. on IFRS
- ◆ Kevan Cowan, President, TSX Markets and Group Head of Equity, TMX Group; TMX Group and London Stock Exchange Group Merger: Delivering Global Opportunity for Canada's Capital Markets
- ◆ John Passmore, Senior Vice President and Portfolio Manager International Equities, GE Asset Management; Emerging Markets – Panacea to the Global Meltdown?
- ◆ Mark Frey, Regional Director for Western Canada, Custom House; Currency Market Outlook 2011
- ◆ Tim Simard, Managing Director of National Bank; Perils, Pitfalls and Price Views: A Practitioner's Perspective on Producer Hedging Programmes
- ◆ Dr. Walid Busaba of the Richard Ivey School of Business on Market Volatility and Timing of IPO Filings



Chris Hooper, CFA  
Programs Co-Chair



Matthew Andrade, CFA  
Programs Co-Chair



**2010—2011 Programs  
Sub-committee**

**Co-Chairs**

Chris Hooper, CFA  
Matthew Andrade, CFA

**Committee Members**

James Aguas  
Jeremy Gilman  
Neil Gohill, CFA  
Geri Greenall, CFA  
Andrew Knox, CFA  
Roger Lydiatt, CFA  
Leanne Mamchur, CFA  
Gavin Preston, CFA  
Andrew Zakalyzny, CFA

In addition to the lunch program series, we also hosted the highly anticipated 10th annual Oil and Gas Forecast Breakfast (thanks to Ian Bruce of Peters & Co., Jennifer Stevenson of Goldman & Co. and Warren Verbonac of Union Securities) which attracted a large crowd, and the Oilfield Services Forecast Breakfast (thanks to Scott Treadwell of Macquarie, Spil Kousinioris of E&Y and Miles Lich of Northern Plains) which was also well-attended. These events provide the investment community with in-depth and current commentary on trends in the oil and gas industry from the perspective of both buy and sell side analysts and industry participants.

If there is a speaker or topic you would like addressed in next year’s program, please contact Events Coordinator Leslie Jerome at [ljerome@calgarycfa.com](mailto:ljerome@calgarycfa.com)

Chris Hooper, CFA  
Matthew Andrade, CFA  
Programs Co-Chairs





## Carbon Finance Conference Update

The CCFAS and Calgary Economic Development (CED) hosted their first ever Carbon Finance conference in Calgary on October 20/21st, 2010. The joint initiative was undertaken to support the desire of the CCFAS members to navigate through the pending carbon landscape forming across the North American continent. The CCFAS membership is diverse in nature and is composed of professionals in various parts of the carbon value chain.

Accordingly, the CCFAS/CED took it upon themselves to develop an event that captured the essence of Carbon Finance. CED was an excellent choice as a partner for the event given its ties with the local business community and its longer term mandate to stimulate growth for the city of Calgary.

The genesis of the event was predicated on the notion that carbon emissions are no longer the sole concerns of environmental, health and safety staff. They have become an important matter for senior management, equity analysts, project financiers, insurers, new financial players, and mainstream institutional investors. These investment professionals play a critical role in scrutinizing the effects of carbon constraints on shareholder value and directing the flow of capital efficiently. As such, the event was structured to aid the CCFAS members in navigating through a carbon constrained world.

The Carbon Finance Conference also provided an opportunity for a meaningful discussion between industry, government, and the financial sector. Sponsorship for the event focused on stakeholders in the energy sector who provided products or services to industry, and advised on or managed investments impacted by carbon constraints. Accordingly the event was sponsored as follows: Platinum - SAP; Gold - KPMG; Silver - Enbridge and Macquarie Capital; and Bronze - Encana and The Delphi Group.

The event was held at the Calgary TELUS Convention Centre over a two day period. Over twenty-five speakers graced the stage of the event from all reaches of the North American continent. The keynotes for the event were Janet Peace of the Pew Center on Global Climate Change and Odin Knudsen of JP Morgan.

The event was the first of its kind for the CCFAS/CED. It was a testament to the merit of the CCFAS pushing the bounds of its mandate to ensure its membership is informed of timely and topical matters that pertain to their professional development.



Carl Landry, CFA  
Conference Co-Chair



Rob Kaczanowski, CFA  
Conference Co-Chair

Carl Landry, CFA  
Rob Kaczanowski, CFA  
Conference Co-Chairs



Tricia Leadbeater, CFA  
Membership Chair

## Membership Update

Total membership of the Calgary CFA society is 1106 members. We have 1061 regular members, and 45 affiliate members. 64 new members joined over the last fiscal year, and 59 Calgarians received their charter in the last year.

We encourage non-CFA charterholders who would like to be kept up to date on the educational events that we host to apply as an Affiliate Member. Membership includes discounted prices to our programs and conferences, as well as invitations to our social events held throughout the year.

Each year we hold a number of networking events. These provide the opportunity for members to form new contacts, connect with colleagues, learn about career opportunities and developments in the financial sector in Calgary, and to have some fun. In this past year, we hosted two well attended social events for members – a wine tasting evening at the Calgary Petroleum Club, and our annual Christmas season social at Murrieta’s Bar and Grill.

We will be hosting the 2011 annual Calgary CFA Society Golf Tournament on June 21 at the Links of Glen Eagles golf course. We look forward to catching up with members there, and will see you again in the fall.

Tricia Leadbeater, CFA  
Membership Chair



Newest CFA Charterholders



2 sets of brothers received their charters:  
Jacky & Winky Lai and  
Jordan & Matthew Schwann



Past Society Presidents who attended to present the CFA Charters

## New Charterholders

Congratulations and a warm welcome to the newest CFA Charterholders.

|                           |                      |                        |
|---------------------------|----------------------|------------------------|
| Julie Allan, CFA          | David Huck, CFA      | Polina Pali, CFA       |
| Iveta Andreeva, CFA       | Graham Ingram, CFA   | Daniel Payne, CFA      |
| Peter Argiris, CFA        | Michael Kennedy, CFA | Nikolai Punko, CFA     |
| Andrew Bishop, CFA        | Justin Kereluk, CFA  | David Radomsky, CFA    |
| Christopher Borowski, CFA | Leon Knight, CFA     | Patrick Read, CFA      |
| Andrew Brink, CFA         | Nataliya Kufta, CFA  | Jordan Schwann, CFA    |
| Aaron Bunting, CFA        | Jacky Lai, CFA       | Matthew Schwann, CFA   |
| Steven Buytels, CFA       | Winky Lai, CFA       | Jonathan See, CFA      |
| Jack Chan, CFA            | Samuel Liaw, CFA     | Michael Spencer, CFA   |
| Josh Crittenden, CFA      | Micah Libin, CFA     | Shane Stevens, CFA     |
| Jared Dziuba, CFA         | Charlene Liu, CFA    | Paul Surmanowicz, CFA  |
| Jon Faber, CFA            | Jia Liu, CFA         | Larry Swanson, CFA     |
| Helene Forero, CFA        | Daniel Lozie, CFA    | Anthony Sze, CFA       |
| Alexandru Gheorghe, CFA   | Jeff Marshall, CFA   | Matthew Taylor, CFA    |
| Bradley Giblin, CFA       | Daniel Martin, CFA   | Jonathon Thiessen, CFA |
| Adam Gill, CFA            | Michael Martin, CFA  | Aaron Vale, CFA        |
| David Gishler, CFA        | Jeremy McCrea, CFA   | Dennis Vogt, CFA       |
| Wendy Graham, CFA         | Kevin McLachlan, CFA | Kurtis Wagner, CFA     |
| Matthew Hamilton, CFA     | Krista Monti, CFA    | Derek Zhao, CFA        |
| Michael Haywood, CFA      | Steven Paget, CFA    |                        |

The Annual President's Dinner and New Charterholder Recognition was held on December 1, 2010 at the Calgary Petroleum Club. Eighteen new CFA Charterholders were presented with their Charters by past presidents of the Calgary CFA Society. The keynote speaker was Beth Hamilton-Keen, CFA, Director and Portfolio Manager, Mawer Investment Management.

Mark your calendars for the next Charter awards to be held Thursday, November 24, 2011 at the Calgary Petroleum Club.



## Advocacy Update

Ada Litvinov, Advocacy Chair for the Calgary CFA Society Board of Directors, is also a member of the Canadian Advocacy Council for Canadian CFA Institute Societies ("CAC"). The CAC is the Pan Canadian body representing the interests of Canadian CFA Institute societies with regards to advocating CFA Institute's Code of Ethics and Standards of Practice to Canada's securities regulators, standard setters, self-regulatory organizations, industry groups and legislators. The CAC advocates the interests of its members through the publication of comment letters on proposed rules and notices from standard setters, legislators and securities regulators.

The CAC is an independent organization comprising approximately 13 members from across Canada who engage in a variety of activities in Canada's capital markets. Funding for the CAC is provided by the Canadian member societies of the CFA Institute and the CFA Institute.

Here is an update of the CAC activities in 2010-2011:

- ◆ Responded to Investment Industry Regulatory Organization of Canada (IIROC) Notice 10-0163 request for comments about the proposed over-the-counter securities fair pricing rule and confirmation disclosure requirements
- ◆ Comment letter to the Independence Task Force of the Canadian Institute of Chartered Accountants (CICA) on the proposed changes to Canadian Auditors Independence standards
- ◆ Comment letter on the Canadian Securities Administrators (CSA) Multilateral Consultation Paper 51-403 - Tailoring Venture Issuer Regulation
- ◆ Survey of Canadian CFA Societies on advocacy-related priorities that the societies would like the CAC to act on or monitor closely
- ◆ Comment letter to the CSA regarding proposed amendments to National Instrument 31-103, Registration Requirements and Exemptions: Registration of International and Certain Domestic Investment Fund Managers
- ◆ Responded to IIROC's request for comments on the proposed Rules and amendments to the Dealer Member Rules to establish substantive requirements developed under the Client Relationship Model (CRM) Project
- ◆ Comment letter to the CSA on the proposed NI 25-101 rule on the Designated Rating Agencies, Related Policies and Consequential Amendments
- ◆ In-person meetings in October 2010 and May 2011 which included in person and phone conversations with various provincial securities regulators, IIROC, CSA, and the Ombudsman for Banking Services and Investment

All the comment letters provided can be read on the CAC website, [www.cfaadvocacy.ca](http://www.cfaadvocacy.ca)

Ada Litvinov, CFA  
Advocacy Chair



Duncan Au, CFA  
Candidate Preparation Chair

## Candidate Preparation Update

The Calgary CFA Society has had a very active year helping potential CFA candidates with their Level I, II and III exams. The Society awarded three scholarships for the December 2010 and seven scholarships for the June 2011 exams. These scholarships helped candidates in financial need cover the cost of writing the exams. New for this year, the Society hosted two candidate social events at The Garage in October 2010 and at Rush in March 2011. The intent of these social events was to provide the candidates with a forum to meet other exam candidates in an informal social setting and to allow them the opportunity to network and potentially form their own study groups or practice exam sessions. The Society also held three mock practice exams sessions to help simulate exam-writing conditions.

During the year, the Calgary CFA Society added more universities in Southern Alberta to its CFA designation awareness campaign. The Society now promotes the CFA designation at the University of Calgary, University of Lethbridge and Mount Royal University. During the year, four presentations were made at these universities to bring greater awareness and information to students about the CFA designation.

The Calgary CFA Society continues to support the Calgary Portfolio Management Trust ("CPMT") at the University of Calgary both financially and through program governance. The CPMT was created in the early 1990s as a joint initiative of the Society and the Haskayne School of Business to provide hands-on, real life investment management training on a live portfolio of funds. The Society firmly believes that participating actively in the teaching and mentoring of the investment practitioners of tomorrow will lead to our collective future successes.

The Global Investment Research Challenge ("Global IRC") for Western Canada was split into two separate challenges this year, BC and the Canadian Prairies. The local challenge was held in Calgary at Mount Royal University in March 2011. Five teams participated in the Canadian Prairies challenge: University of Alberta, University of Calgary, Mount Royal University, University of Lethbridge and University of Manitoba. The subject company for the teams' research reports was WestJet Airlines Ltd. The quality of the research reports from the five teams was outstanding, but there could only be one winner and the School of Business at the University of Alberta took home the honour of being the 2011 Canadian Prairies Global IRC champion. The U of A went on to participate in the Americas competition in Omaha, Nebraska in April 2011 and finished in second place just missing out on competing in the Global competition. Congratulation U of A, well done!

Duncan Au, CFA  
Candidate Preparation Chair  
University Liaison Chair  
Calgary Portfolio Management Trust - Trustee  
Global Investment Research Challenge Chair



James Cole, CFA  
Treasurer

# Financial Statements

**Sylvia F. DeLauretis**  
**Professional Corporation**

Certified Management Accountant

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**CALGARY CHARTERED FINANCIAL ANALYST SOCIETY**

**FINANCIAL STATEMENTS**

**JUNE 30, 2010**

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**Sylvia F. DeLauretis**  
**Professional Corporation**

Certified Management Accountant

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**AUDITOR'S REPORT**

To the Members and Directors of Calgary Chartered Financial Analyst Society:

I have audited the statement of financial position of Calgary Chartered Financial Analyst Society (the Society) as at June 30, 2010, and the statement of operations and net assets for the year then ended. These financial statements are the responsibility of the Society's management. 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 the 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 Society as at June 30, 2010, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
December 3, 2010



Sylvia F. DeLauretis Professional Corporation,  
Certified Management Accountant



CALGARY CHARTERED FINANCIAL ANALYST SOCIETY  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2010

|   | <u>2010</u>       | <u>2009</u>       | <small>(note 9)</small> |
|---|-------------------|-------------------|-------------------------|
| <b>ASSETS</b>                                     |                   |                   |                         |
| <b>CURRENT</b>                                    |                   |                   |                         |
| Cash and cash equivalents                         | \$ 81,562         | \$ 47,912         |                         |
| Accounts receivable (note 7)                      | 130,156           | 148,625           |                         |
| Inventory   | 2,513             | 1,008             |                         |
| Prepaid expenses                                  | <u>1,995</u>      | <u>12,015</u>     |                         |
|   | 216,226           | 209,560           |                         |
| <b>NON-CURRENT</b>                                |                   |                   |                         |
| Cash and cash equivalents                         | 441,033           | 323,365           |                         |
| Accounts receivable (note 7)                      | 55,000            | -                 |                         |
| Capital assets (note 3)                           | <u>235</u>        | <u>1,569</u>      |                         |
|   | <u>\$ 712,494</u> | <u>\$ 534,494</u> |                         |
| <b>LIABILITIES</b>                                |                   |                   |                         |
| <b>CURRENT</b>                                    |                   |                   |                         |
| Accounts payable and accrued liabilities (note 7) | \$ 160,628        | \$ 90,236         |                         |
| Deferred revenue                                  | <u>55,890</u>     | <u>30,139</u>     |                         |
|   | 216,518           | 120,375           |                         |
| <b>NET ASSETS</b>                                 |                   |                   |                         |
| Unrestricted                                      | <u>495,976</u>    | <u>414,119</u>    |                         |
|   | <u>\$ 712,494</u> | <u>\$ 534,494</u> |                         |

APPROVED BY THE BOARD:  
CALGARY CHARTERED FINANCIAL ANALYST SOCIETY

  
Director and Position

  
Director and Position



CALGARY CHARTERED FINANCIAL ANALYST SOCIETY  
STATEMENT OF OPERATIONS AND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | <u>2010</u>       | (note 9)<br><u>2009</u> |
|---|-------------------|-------------------------|
| <b>REVENUE</b>                              |                   |                         |
| Programs, workshops and events              | \$ 276,388        | \$ 420,698              |
| Forecast dinner                             | 223,131           | 223,271                 |
| Employment notices                          | 87,070            | 58,898                  |
| Membership dues                             | 77,134            | 70,441                  |
| Golf tournament                             | 30,100            | 22,457                  |
| Interest and other income                   | <u>5,717</u>      | <u>12,826</u>           |
|   | <u>699,540</u>    | <u>808,591</u>          |
| <b>EXPENSES</b>                             |                   |                         |
| Program, workshops and events               | 172,078           | 311,515                 |
| Forecast dinner                             | 145,735           | 187,517                 |
| Administrative services (note 7)            | 117,277           | 133,462                 |
| Bull Project expenses (net) (note 6)        | 68,358            | 14,744                  |
| Golf tournament                             | 30,523            | 22,625                  |
| Board expenses                              | 22,343            | 11,298                  |
| Bank, credit card fees and foreign exchange | 20,726            | 17,116                  |
| Office and administration (note 7)          | 11,292            | 11,826                  |
| Student scholarships and activities         | 9,736             | 13,548                  |
| Professional fees                           | 9,132             | 8,159                   |
| Canadian Advocacy Committee                 | 4,200             | 4,140                   |
| Advertising                                 | 4,199             | 3,500                   |
| Amortization                                | 1,334             | 1,920                   |
| Insurance                                   | <u>750</u>        | <u>750</u>              |
|   | <u>617,683</u>    | <u>742,120</u>          |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>      | 81,857            | 66,471                  |
| <b>NET ASSETS, beginning of year</b>        | <u>414,119</u>    | <u>347,648</u>          |
| <b>NET ASSETS, end of year</b>              | <u>\$ 495,976</u> | <u>\$ 414,119</u>       |



CALGARY CHARTERED FINANCIAL ANALYST SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

1. PURPOSE OF ORGANIZATION

The Calgary Chartered Financial Analyst Society (the Society) is a nonprofit organization that incorporated on January 18, 1982 under the Societies Act of the Province of Alberta. The Society has tax exempt status pursuant to the Canadian Income Tax Act, thus no provision for income taxes has been made within these financial statements. The Society is a member of CFA Institute. As a member, the Society adheres to the articles and bylaws of that organization.

The objectives of the Society are:

- a) to provide and maintain an organization for those persons who are directly and indirectly engaged in financial analysis as related to securities investment and to advance and protect generally the status, welfare and interests of such persons;
- b) to formulate and promote high standards of ethics in financial analysis;
- c) to educate and inform financial analysts as to techniques, standards and developments with regard to financial analysis, securities and securities markets in order that they might serve the public more competently;
- d) to hold or sponsor conferences, seminars, courses and workshops or otherwise disseminate information and ideas among members of the Society and to the public relating to financial analysis as related to securities investment; and
- e) to publicize information regarding financial and security analysis in order to promote public understanding of their role and usefulness.

The Society, jointly with the CFA Institute, also sponsors student scholarships to qualifying CFA candidates.



CALGARY CHARTERED FINANCIAL ANALYST SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for nonprofit organizations and reflect the following policies:

a) Cash and cash equivalents

Cash and cash equivalents are stated at their fair value including interest income that has been accrued to the year end.

b) Capital Assets

Purchased capital assets are stated at cost. These assets are depreciated on the declining balance basis at rates calculated to depreciate the cost of the capital assets over their estimated useful lives. Additions to capital assets are amortized at one-half their original rate in the year of acquisition.

c) Revenue Recognition

Revenue earned from Society sponsored events is recognized in the period the event takes place. Membership dues are recognized in the period the member is accepted and the related dues have been received.

d) Donated and Non-Cash Sponsorship Services

Members of the Society contribute their time to assist the Society in carrying out its operating activities by serving on the Board of Directors and by assisting at various Society functions. In addition, the Society receives non-cash sponsorship services in kind from businesses in support of its operations. The value of this contributed time and non-cash services is not reflected in these financial statements since objective measurement or valuation is not determinable.



CALGARY CHARTERED FINANCIAL ANALYST SOCIETY  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2010

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

e) Use of Estimates and Measurement Uncertainty

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

f) Financial Instruments

The Society carries various financial instruments. The following is a summary of the accounting classifications that the Society applies to each of its significant categories of financial instruments:

|  |                                |
|--|--------------------------------|
| Cash and cash equivalents                | Designated as held-for-trading |
| Accounts receivable                      | Loans and receivables          |
| Accounts payable and accrued liabilities | Other financial liabilities    |

The Society initially measures all its financial instruments at fair value. Subsequent measurement and treatment of any gain or loss is recorded as follows:

- Held-for-trading financial assets are measured at fair value at the balance sheet date with any gain or loss recognized immediately in operations. Interest earned from held-for-trading assets is also included in revenues and expenditures for the year.
- Loans and receivables are measured at amortized cost using the effective interest method. Any gains or losses are recognized in revenues and expenditures.
- Other financial liabilities are measured at amortized cost using the effective interest method.

Transaction costs related to all financial assets and liabilities are recognized as an expense of the period.



CALGARY CHARTERED FINANCIAL ANALYST SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010

7. 2010 ENDING BALANCES AND OPERATING ACTIVITIES

As at June 30, 2010, the Society's accounts receivable balance of \$185,156 (2009 - \$148,625) includes the Bull Project funding yet to be collected in the amount of \$102,500 (2009 - \$63,965 of which the CFA Institute matched restricted grant funding).

As at June 30, 2010, the Society's accounts payable and accrued liabilities balance of \$160,928 (2009 - \$90,236) includes Bull Project related costs of \$97,473 (2009 - \$18,250).

During the year ended June 30, 2010, the Society continued to offer its members quality professional development events and workshops that resulted in costs in the areas of administrative staffing expenses (2010 - \$117,277; 2009 - \$133,462) and office and administrative supplies (2010 - \$11,292; 2009 - \$11,826).

8. CAPITAL DISCLOSURES

The Society considers its capital to be its net assets unrestricted. The Society's objectives when managing its capital are to safeguard its ability to continue as a going concern so that it can provide services to its members. Annual budgets are developed and monitored to ensure that the Society's capital is maintained at an appropriate level.

9. COMPARATIVE FIGURES

Certain of prior year's figures have been reclassified to conform with the current year's presentation.



CALGARY CHARTERED FINANCIAL ANALYST SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010

3. CAPITAL ASSETS

|                    | 2010            |                             |               | 2009            |        |
|--------------------|-----------------|-----------------------------|---------------|-----------------|--------|
|                    | Cost            | Accumulated<br>Depreciation | Net<br>Value  | Net<br>Value    | Rate   |
| Office equipment   | \$ 3,350        | \$ 3,175                    | \$ 175        | \$ 539          | 30%    |
| Computer equipment | <u>5,517</u>    | <u>5,457</u>                | <u>60</u>     | <u>1,030</u>    | 45-55% |
|                    | <u>\$ 8,867</u> | <u>\$ 8,632</u>             | <u>\$ 235</u> | <u>\$ 1,569</u> |        |

4. STATEMENT OF CASH FLOWS

The financial statements of the Society do not include a statement of cash flow as this statement would not provide additional useful information.

5. FINANCIAL INSTRUMENTS

As disclosed in note 2 (f), the Society holds various forms of financial instruments. The nature of these instruments and the Society's operations expose them to credit risk.

Credit risk

As at June 30, 2010, all of the Society's cash and cash equivalents were held at a recognized Canadian financial institution. As a result, the Society was exposed to all of the risks associated with that institution.

Currency risk

Currency exchange risks on the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk

The Society's investments are subject to variable fluctuating interest rates.

Fair value risk

Rates on the investments are consistent with current rates available on similar instruments with similar terms, therefore, it is management's opinion that the fair value of the Society's investments approximates their carrying value.



CALGARY CHARTERED FINANCIAL ANALYST SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010

6. BULL PROJECT AND "OUTLAW SCULPTURE"

Effective April 10, 2009, the Society entered into License and Sponsorship Agreements with Calgary Exhibition and Stampede Limited to commence the production of the "Outlaw Sculpture" known as the Bull Project.

These agreements allow the Society the right to use all images and marks of the "Outlaw Sculpture" as specified within the agreement. The budgeted financial commitment of the Society was a best effort sponsorship funding collection of approximately \$343,500 from the Society, the CFA Institute (matching grant component), and corporate sponsors targeted by the Society. The Society expected this funding commitment to be derived substantially from the CFA Institute and corporate sponsorships for this project.

The Society's sponsorship of this project is aimed at recognizing the growing importance of Calgary as a global financial centre and to honor and commemorate Calgary Exhibition and Stampede Limited's Western History and Values.

The "Outlaw Sculpture" has been completed and is located in the downtown financial district of the City of Calgary and was unveiled at a ceremony in May 2010.

To the year ended June 30, 2010, the Society has incurred expenses in the amount of \$83,102 (2010 - \$68,358 plus 2009 - \$14,744) net of CFA Institute matching grant component received during the years. As the Bull Project is now complete, no further costs associated to the project are anticipated to be incurred by the Society.