

ASSIST
TEACH
INFORM
BUILDING FOR THE FUTURE
SUPPORT
ADVANCE
PROMOTE

MANITOBA CHARTERED ACCOUNTANTS FOUNDATION INC.
ANNUAL REPORT 2003

MANITOBA CHARTERED ACCOUNTANTS FOUNDATION INC.

BOARD OF DIRECTORS

M.L. Verin, FCA *President*
E. Gliner, CA *Vice President*
J.K.A. Campbell, FCA
J.A. Gray, FCA
C.D.H. Henaire, CA
G. Kalef, FCA
S.W. Reid, FCA
P.J. Wintemute, FCA
P.D. Wright, FCA
L.O. Pollard, Hon. CA *Public Representative*
G.B. Hannaford, FCA *Executive Secretary*

PRESIDENT'S MESSAGE



M.L. Verin, FCA

A number of years ago, the Foundation Board approved a strategic plan that identified a number of initiatives that would help us fulfill our mission of supporting quality accounting education in Manitoba. Currently we have been able to support many of them but, unfortunately, some of

them have not been undertaken since we have not yet been able to reach our goal of \$1 million in capital.

Among the more significant areas that the Foundation supports is university level accounting education. This past year, the Foundation made its first annual instalment of five \$25,000 payments in support of the I.H. Asper School of Business. The Foundation also has a commitment to support the CA Professorship in Accounting at Brandon University but the position was vacant this past year so no funding was provided. It is our hope that the position will be filled this year so that we can continue our annual \$25,000 contribution to this initiative.

The Foundation is also a co-sponsor of the Aboriginal Business Education Program (ABEP) at the University of Manitoba as we encourage young aboriginals to consider pursuing a career in the CA profession. This past year we made our fifth annual instalment of \$5,000 in support of ABEP.

With the formation of the CA School of Business (CASB) in 2001 as the delivery vehicle for professional level courses for CA students in Western Canada, the Foundation has also considered it appropriate to provide support to this program. In 2002-2003, the Foundation provided \$23,000 toward the start-up costs of CASB. A further \$28,800 is committed for 2003-2004.

The Foundation has also continued to provide direct financial support to students by way of awards and bursaries. During the past year, \$3,900 was provided for awards to the top Manitoba candidates on the 2002 Uniform Final Examination. In addition, bursaries totaling \$3,500 were provided to five students who were deserving of such support.

During the year the Board began a process to review a number of the awards that were previously provided from income earned in some of the restricted funds. Many of these funds were established to provide awards to students in courses provided by the Institute. These courses were discontinued with the introduction of CASB so it is necessary to identify alternative uses for a number of these funds. To the extent possible, this will be done in

consultation with those who established the funds. We anticipate coming to some conclusions in the next year.

To pay for these initiatives, the Foundation has two primary sources of income - donations and investment income. During 2002-2003, the Foundation's Board continued a number of fundraising initiatives. With nearly \$34,700 in contributions to the general and restricted funds combined, we essentially duplicated the 2001-2002 fundraising level. However, due to its own commitment to the I.H. Asper School of Business, the Institute did not contribute \$25,000 of matching funds this year as they had last year.

Over the past four years, we have raised over \$150,000 in contributions. When combined with matching funds from the Institute of \$125,000, our total donations have approached \$275,000 in just four years. We thank all of you who have shown your support to the Foundation and its goal of improving quality accounting education in Manitoba.

Unfortunately, due to the conditions in the financial markets the Foundation experienced an investment loss for the second straight year. In 2002-2003 we experienced a loss of nearly \$12,500 compared to \$9,000 last year.

Despite our fundraising results this year, the statement of operations reflects an excess of expenses over revenue of approximately \$50,000 this year compared to an excess of expenses over revenue of about \$18,000 last year. This shortfall is due primarily to the fact that we have continued to fund the various initiatives even though revenues have decreased.

As noted above, contributions from outside of the Institute's support were constant with last year but the Institute did not provide \$25,000 in matching support. On the expense side, our support to CASB increased by \$5,000 from last year. As a result of the excess expenses over revenue of \$50,000, the net assets at March 31, 2003 have decreased to approximately \$786,000.

It is our hope that the financial markets will turn around over the next year such that we will begin to experience investment income once again as opposed to the losses of the past two years. This combined with increased contributions will hopefully result in our being able to continue to fund these very important initiatives. With your support, we believe that the Foundation will continue to grow and fulfill its mandate to support accounting education in this province. We hope you will agree.

M.L. Verin, FCA
President

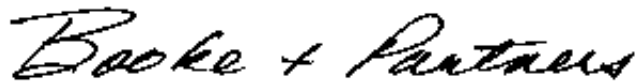
AUDITORS' REPORT

**To the Members,
Manitoba Chartered Accountants Foundation Inc.**

We have audited the statement of financial position of the Manitoba Chartered Accountants Foundation Inc. as at March 31, 2003 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Winnipeg, Manitoba
April 21, 2003

BOOKE & PARTNERS
CHARTERED ACCOUNTANTS

**MANITOBA CHARTERED ACCOUNTANTS FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31**

	2003	2002
ASSETS		
Cash and Short Term Investments	\$ 29,625	\$ 59,448
Long Term Investments (note 3)	<u>760,002</u>	<u>780,748</u>
TOTAL ASSETS	<u>\$789,627</u>	<u>\$840,196</u>
LIABILITIES	<u>\$ 3,500</u>	<u>\$ 3,500</u>
NET ASSETS		
Restricted Funds (note 4)	275,778	268,127
General Funds (note 5)	<u>510,349</u>	<u>568,569</u>
	<u>786,127</u>	<u>836,696</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$789,627</u>	<u>\$840,196</u>

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31**

	General Funds		Restricted Funds	
	2003	2002	2003	2002
REVENUE				
Contributions (note 6)	\$ 22,970	\$ 59,025	\$ 11,713	\$ 593
Investment (Loss)	<u>(8,173)</u>	<u>(6,058)</u>	<u>(4,276)</u>	<u>(2,897)</u>
	<u>14,797</u>	<u>52,967</u>	<u>7,437</u>	<u>(2,304)</u>
EXPENSE				
University Support (note 7)	25,000	25,000	-	-
CA School of Business Support (note 8)	23,000	18,000	-	-
Investment Fees	4,666	5,073	2,440	2,426
Aboriginal Business Education Program Support (note 9)	5,000	5,000	-	-
Awards and Bursaries	3,500	-	668	5,283
Projects	3,269	3,062	-	-
Uniform Final Examination Awards	3,200	3,200	-	-
Miscellaneous	2,060	1,641	-	-
	<u>69,695</u>	<u>60,976</u>	<u>3,108</u>	<u>7,709</u>
EXCESS REVENUE (EXPENSE)	<u>(54,898)</u>	<u>(8,009)</u>	<u>4,329</u>	<u>(10,013)</u>
NET ASSETS, BEGINNING OF YEAR	568,569	580,178	268,127	274,540
ALLOCATION TO RESTRICTED FUNDS (notes 4 & 5)	<u>(3,322)</u>	<u>(3,600)</u>	<u>3,322</u>	<u>3,600</u>
NET ASSETS, END OF YEAR	<u>\$510,349</u>	<u>\$568,569</u>	<u>\$275,778</u>	<u>\$268,127</u>

Approved by the Board,



M.L. Verin, President



S.W. Reid, Secretary-Treasurer

MANITOBA CHARTERED ACCOUNTANTS FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2003

1. General

The Manitoba Chartered Accountants Foundation Inc. is controlled by The Institute of Chartered Accountants of Manitoba through its approval of the annual strategic plans. The purpose of the Foundation is to foster, encourage, assist and advance teaching, education, and research in accounting and related functions. Assistance is also provided to needy persons who are, or have been, members of the Institute, and to their needy dependents and survivors. The Foundation is incorporated under The Corporations Act of Manitoba and is a registered charity under the Income Tax Act.

The Institute provides and pays for a significant portion of administration costs.

2. Significant Accounting Policies

Long term investments are recorded at cost. Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

The Foundation follows the restricted fund method of accounting for contributions.

Investment income is recorded on a proportionate share of revenue, gains, and losses within the pooled funds, as well as on disposition of units owned. Investment income earned on restricted funds is recognized as revenue of those funds. Other investment income is recognized as revenue of the general fund.

3. Long Term Investments

	2003	2002
Cost		
Fixed income funds	\$319,450	\$341,126
Equity funds	329,544	327,937
Real estate funds	111,008	111,685
	<u>\$760,002</u>	<u>\$780,748</u>
Market	<u>\$728,402</u>	<u>\$771,776</u>

Investments are in pooled funds, which are managed by GWL Investment Management Ltd.

4. Restricted Funds

The Foundation manages these funds as directed by the donors in accordance with Board approved criteria. Investment income or loss is allocated proportionately to these funds. When, because of fluctuations in investment income and expenditures from a fund, a fund is drawn down below the amount of its original capital amount, an amount is allocated from the general fund to maintain the original capital. This allocation will be repaid by the funds affected.

Many of these funds were established to provide awards for student education courses which are no longer offered by the Institute. Alternative uses for these funds are being considered.

a. Alexander Campbell and Howard W. Robinson Award Fund

	2003	2002
REVENUE		
Investment (loss)	\$ (1,200)	\$ (984)
EXPENSE		
Bursaries	<u>-</u>	<u>2,300</u>
Excess expense	(1,200)	(3,284)
Balance, beginning of year	50,000	50,874
Allocation from general fund	1,200	2,410
Balance, end of year	<u>\$50,000</u>	<u>\$50,000</u>

This fund is designated to provide bursaries for students who demonstrate financial need and a strong academic performance.

b. Winnifred and Louis Rubin Memorial Fund

	2003	2002
REVENUE		
Investment (loss)	\$ (339)	\$ (279)
Balance, beginning of year	14,121	14,400
Balance, end of year	<u>\$13,782</u>	<u>\$14,121</u>

This fund is designated to finance professional refresher and curriculum development for Manitoba accountants, with particular emphasis on small and medium size public practices.

c. John W. Corbett Awards in Auditing

	2003	2002
REVENUE		
Investment (loss)	\$ (836)	\$ (695)
EXPENSE		
Awards	<u>-</u>	<u>400</u>
Excess expense	(836)	(1,095)
Balance, beginning of year	34,852	35,947
Balance, end of year	<u>\$34,016</u>	<u>\$34,852</u>

This fund is designated to provide cash awards to the students attaining the highest standing in Institute courses in auditing.

d. J. W. Abbott Awards in Accounting and Taxation

	2003	2002
REVENUE		
Investment (loss)	\$ (1,044)	\$ (866)
EXPENSE		
Awards	<u>-</u>	<u>400</u>
Excess expense	(1,044)	(1,266)
Balance, beginning of year	43,494	44,760
Balance, end of year	<u>\$42,450</u>	<u>\$43,494</u>

This fund is designated to provide cash awards to the CA students attaining the highest standing in Institute courses in accounting and taxation.

e. D. Eric Mitchell Memorial Fund

	2003	2002
REVENUE		
Contributions	\$ 613	\$ 493
Investment (loss)	<u>(199)</u>	<u>(158)</u>
	414	335
EXPENSE		
Awards	<u>-</u>	<u>350</u>
Excess revenue (expense)	414	(15)
Balance, beginning of year	<u>7,663</u>	<u>7,678</u>
Balance, end of year	<u>\$8,077</u>	<u>\$7,663</u>

This fund is designated to provide a cash award to the student attaining the highest average standing in the final Institute courses leading up to the Uniform Final Examination.

f. C. Oren Gilmore Fund

	2003	2002
REVENUE		
Contributions	\$ 100	\$ 100
Investment (loss)	<u>(595)</u>	<u>(500)</u>
	(495)	(400)
EXPENSE		
Medals	<u>668</u>	<u>633</u>
Excess expense	(1,163)	(1,033)
Balance, beginning of year	<u>24,688</u>	<u>25,721</u>
Balance, end of year	<u>\$23,525</u>	<u>\$24,688</u>

This fund is designated to provide medals for the top three candidates on the Uniform Final Examination.

g. Leonard Stoller Memorial Fund

	2003	2002
REVENUE		
Investment (loss)	\$ (249)	\$ (205)
Balance, beginning of year	<u>10,399</u>	<u>10,604</u>
Balance, end of year	<u>\$10,150</u>	<u>\$10,399</u>

This fund is designated to fund activities which will promote excellence in professional practice.

h. Leonard Stoller Scholarship Fund

	2003	2002
REVENUE		
Investment (loss)	\$ (11)	\$ (9)
Balance, beginning of year	<u>442</u>	<u>451</u>
Balance, end of year	<u>\$431</u>	<u>\$442</u>

This fund is designated to provide a cash award to the student attaining the highest standing in Advanced Management Accounting.

i. James W. Clarke Fund

	2003	2002
REVENUE		
Investment (loss)	\$ (468)	\$ (385)
Balance, beginning of year	19,507	19,892
Allocation from general fund	<u>347</u>	<u>-</u>
Balance, end of year	<u>\$19,386</u>	<u>\$19,507</u>

This fund is designated to provide cash awards to Aboriginal students upon successful completion of the Uniform Final Examination.

j. CA Benevolent Fund

	2003	2002
REVENUE		
Contributions	\$ 1,000	\$ -
Investment (loss)	<u>(1,175)</u>	<u>(940)</u>
	<u>(175)</u>	<u>(940)</u>
EXPENSE		
Bursaries	<u>-</u>	<u>600</u>
Excess expense	<u>(175)</u>	<u>(1,540)</u>
Balance, beginning of year	47,961	48,590
Allocation from general fund	<u>1,175</u>	<u>911</u>
Balance, end of year	<u>\$48,961</u>	<u>\$47,961</u>

This fund is designated to provide financial assistance to members of the Institute and their families. If in any given year, there is no need for assistance, funds will be made available to pay bursaries to CA students in financial need in a subsequent year.

k. Walter Dubowec, FCA, Bursary Fund

	2003	2002
REVENUE		
Contribution	\$10,000	\$ -
Investment (loss)	<u>(600)</u>	<u>(302)</u>
	<u>9,400</u>	<u>(302)</u>
EXPENSE		
Bursaries	<u>-</u>	<u>600</u>
Excess revenue (expense)	<u>9,400</u>	<u>(902)</u>
Balance, beginning of year	15,000	15,623
Allocation from general fund	<u>600</u>	<u>279</u>
Balance, end of year	<u>\$25,000</u>	<u>\$15,000</u>

This fund was established by a donation from The Joe Brain Foundation Inc. and is designated to pay bursaries to students primarily in northern Manitoba.

5. General Funds

	Total to Date
J.D. Blazouske Memorial Fund	\$ 23,295
D.A. Thompson Fund	11,100
J.C. Wirth Memorial Fund	7,000
W.M. and N.I. Hurley Memorial Fund	5,000
Fred Johnson Memorial Fund	5,000
Jeanette Gusto Memorial Fund	2,900
Other Contributions:	
The Institute of Chartered Accountants of Manitoba	316,512
The Exchange, Chartered Accountants	13,000
Certified Public Accountants Association of Manitoba	12,659
Chartered Accountants Student Society of Manitoba	12,108
G.T. Steiman	9,000
D.M. Gordon	8,000
S.W. Reid	7,000
E.R. Essery	6,000
Grant Thornton LLP, Chartered Accountants	6,000
A.M. Moore	5,500
Collins Barrow, Chartered Accountants	5,200
D.G. Mitchell	5,100
Estate of Christina Tibbs	5,000
W.G. Konantz	5,000
J. Mazur	5,000
Meyers Norris Penny LLP, Chartered Accountants	5,000
H.W. Robinson	5,000
Partners of Touche Ross & Co., Chartered Accountants	5,000
Other Contributions less than \$5,000	135,294
	<u>625,668</u>
Accumulated interest (expense)	(108,397)
Allocation to restricted	(6,922)
	<u>\$510,349</u>

Over the years, T.E. Brown has made contributions to various of the general funds totaling \$16,000.

6. Contributions

Contributions of \$34,683 were received during the current year at the following levels:

■ The President's Circle (Contributions of or exceeding \$5,000)

The Joe Brain Foundation Inc.

■ Contributors (Contributions between \$1,000 and \$2,499)

Estate of H.W. Brown

T.E. Brown

Burke Cantor & Co., Chartered Accountants

Collins Barrow, Chartered Accountants

Estate of S.J. Down

P. Dueck

E.R. Essery

The Exchange, Chartered Accountants

Grant Thornton LLP, Chartered Accountants

S.W. Linhart

R.F. Phillips

PKBW, Chartered Accountants

G.T. Steiman

P.D. & M.C. Wright

■ **Supporters (Contributions between \$500 and \$999)**

Booke & Partners, Chartered Accountants
J.K.A. Campbell
G.J.L. Chaput
Pacak Kowal Hardie & Company, Chartered Accountants

D. Price
S.W. Reid
Tadman Hornstein, Chartered Accountants
Winnipeg School Division*

■ **Donors (Contributions less than \$500)**

G.J. Forest
C.O. Gilmore
G.B. Hannaford
G.J. Hanson
C.D.H. Henaire
D.W. Kendall
Manitoba Quality Network*
G.T. Markham
T.L. Okerlund
Proceeds-Eric Mitchell Hockey Tournament

K.W. Powls
M.C. Rankin
A.P. Rathke
W. Senkiw
Seven Oaks General Hospital*
J.W. Singleton
M.L. Verin
R.B. Wall
W.D. Mitchell

*These contributions represent honorariums paid to the Foundation in recognition of governance workshops presented by G.B. Hannaford.

7. University Support

The Foundation has made five payments of \$25,000 to Brandon University in its agreement to provide funding for the CA Manitoba Professorship in Accounting. Although the agreement provides for five additional payments to be made, no payment was made in the current year since the position became vacant during the year. If the position remains vacant for a period greater than 12 months, the Foundation may, at its discretion, discontinue funding.

During the year the Foundation made the first payment of \$25,000 to the I.H. Asper School of Business. The agreement provides for payments of \$25,000 to be made in each of the next four years.

8. CA School of Business Support

During the year, the Foundation paid \$23,000 to the Institute to assist with its funding commitment to the CA School of Business. An additional \$28,750 will be paid in December 2004.

9. Aboriginal Business Education Program Support

The Foundation made the final payment in its five year agreement with the I.H. Asper School of Business to provide support for the Aboriginal Business Education Program.

10. Statement of Cash Flows

A statement of cash flows is not considered to provide additional meaningful information and accordingly is not included.



**Manitoba
Chartered
Accountants
Foundation Inc.**

500 - 161 Portage Avenue East ■ Winnipeg, Manitoba, Canada R3B 0Y4
Phone: (204) 942-8248 ■ Toll Free: 1-888-942-8248 ■ Fax: (204) 943-7119
E-mail: icam@icam.mb.ca ■ Website: www.icam.mb.ca