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MANITOBA CHARTERED ACCOUNTANTS FOUNDATION INC.  
ANNUAL REPORT 2004

**MANITOBA CHARTERED ACCOUNTANTS FOUNDATION INC.  
BOARD OF DIRECTORS**

M.L. Verin, FCA *President*  
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M.L. Verin, FCA

The Manitoba Chartered Accountants Foundation's mission is to support quality accounting education in Manitoba. Over the past several years the Foundation's Board has identified a number of important initiatives in support of this mission. During 2003-04, I am pleased to report that we have been able to contin-

ue many of these initiatives.

Among the more significant areas that the Foundation supports is university level accounting education. This past year, the Foundation made its second annual installment of \$25,000 in support of the I.H. Asper School of Business.

The Foundation has also entered into discussions with Brandon University about how it might be able to provide support to it. You may recall that a number of years ago the Foundation made a commitment to support the CA Manitoba Professorship in Accounting position at Brandon University but that position has been vacant for the past couple of years so no funding has been provided. It is our hope that we can finalize negotiations over the next several months to address the current needs of the university.

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 sixth consecutive annual installment of \$5,000 in support of ABEP.

With the formation of the CA School of Business (CASB) in 2000 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 2003-04, the Foundation provided \$28,750 toward the start-up costs of CASB.

The Foundation has also continued to provide direct financial support to students by way of awards and bursaries. During the past year, \$1,000 was awarded to Adam Terwin for placing on the CICA National Honour Roll on the 2003 Uniform Evaluation. In addition, bursaries totaling \$2,500 were provided to three students who were deserving of such support.

The Board has begun 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 and the Board has identified some alternative uses for a number of these funds. In order to change the use of these funds, however it is necessary to consult with those who established them, to the extent possible. We anticipate coming to some conclusions shortly.

To pay for these initiatives, the Foundation has two primary sources of income - donations and investment income. During 2003-04, the Foundation's Board continued a number of fundraising initiatives. With nearly \$41,800 in contributions to the general and restricted funds combined, we significantly surpassed the 2002-03 fundraising level of \$34,700. To a great extent, this was due to a significant contribution from PricewaterhouseCoopers LLP of \$16,000 in March 2004.

We are also pleased to note that with the turnaround in market conditions, the Foundation experienced investment income of nearly \$36,900 this year compared to an investment loss of \$12,500 last year.

Overall this resulted in an excess of revenue over expenses of \$300 this year. While not significant it was a major improvement over last year where expenses exceeded revenue by approximately \$50,000.

As you can see from the above, the Foundation has been able to continue many of the initiatives it has established over the past several years. However, some additional initiatives have not been undertaken since we have not yet been able to reach our goal of \$1 million in capital.

We rely heavily on the generous contributions of all CAs to help fund current and future initiatives and ask you to consider making a contribution to the future of the profession. 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.

A handwritten signature in black ink that reads "M.L. Verin". The signature is written in a cursive, flowing style.

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, 2004 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, 2004 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, 2004

BOOKE & PARTNERS  
CHARTERED ACCOUNTANTS

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

	2004	2003
<b>ASSETS</b>		
Cash and Short Term Investments	\$ 19,009	\$ 29,625
Long Term Investments (note 3)	768,738	760,002
Other	<u>1,195</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$788,942</u></b>	<b><u>\$789,627</u></b>
<b>LIABILITIES</b>	<b><u>\$ 2,500</u></b>	<b><u>\$ 3,500</u></b>
<b>NET ASSETS</b>		
Restricted Funds (note 4)	281,346	275,778
General Funds (note 5)	<u>505,096</u>	<u>510,349</u>
	<b><u>786,442</u></b>	<b><u>786,127</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$788,942</u></b>	<b><u>\$789,627</u></b>

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

	General Funds		Restricted Funds	
	2004	2003	2004	2003
<b>REVENUE</b>				
Contributions (note 6)	\$ 41,440	\$ 22,970	\$ 313	\$ 11,713
Investment (Loss)	<u>24,079</u>	<u>(8,173)</u>	<u>12,780</u>	<u>(4,276)</u>
	<b><u>65,519</u></b>	<b><u>14,797</u></b>	<b><u>13,093</u></b>	<b><u>7,437</u></b>
<b>EXPENSE</b>				
CA School of Business Support (note 7)	28,750	23,000	-	-
University Support (note 8)	25,000	25,000	-	-
Investment Fees	4,729	4,666	2,508	2,440
Aboriginal Business Education Program Support	5,000	5,000	-	-
Projects	3,303	3,269	-	-
Awards and Bursaries	2,500	3,500	109	668
Benevolence	-	-	1,854	-
Uniform Evaluation Awards	1,000	3,200	-	-
Miscellaneous	<u>3,544</u>	<u>2,060</u>	<u>-</u>	<u>-</u>
	<b><u>73,826</u></b>	<b><u>69,695</u></b>	<b><u>4,471</u></b>	<b><u>3,108</u></b>
<b>EXCESS REVENUE (EXPENSE)</b>	<b><u>(8,307)</u></b>	<b><u>(54,898)</u></b>	<b><u>8,622</u></b>	<b><u>4,329</u></b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>510,349</u></b>	<b><u>568,569</u></b>	<b><u>275,778</u></b>	<b><u>268,127</u></b>
<b>INTERFUND TRANSFERS (notes 4 &amp; 5)</b>	<b><u>3,054</u></b>	<b><u>(3,322)</u></b>	<b><u>(3,054)</u></b>	<b><u>3,322</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$505,096</u></b>	<b><u>\$510,349</u></b>	<b><u>\$281,346</u></b>	<b><u>\$275,778</u></b>

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, 2004**

**1. General**

The Manitoba Chartered Accountants Foundation Inc. (Foundation) is controlled by The Institute of Chartered Accountants of Manitoba (Institute) 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.

The fair value of cash, short term investments and liabilities is approximately equal to their carrying value due to the short-term maturity dates.

The fair value of long term investments is approximately equal to their quoted market value.

**3. Long Term Investments**

	<b>2004</b>	<b>2003</b>
Cost		
Fixed income funds	<b>\$341,934</b>	\$319,450
Equity funds	<b>303,643</b>	329,544
Real estate funds	<b>123,161</b>	111,008
	<b><u>768,738</u></b>	<b><u>\$760,002</u></b>
Market	<b><u>\$827,912</u></b>	<b><u>\$728,402</u></b>

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 is repaid by the funds affected as net income is earned by them.

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**

	<b>2004</b>	<b>2003</b>
Investment revenue (loss)	\$ 1,860	\$ (1,200)
Balance, beginning of year	50,000	50,000
Transfer (to) from general fund	<u>(1,860)</u>	<u>1,200</u>
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**

	<b>2004</b>	<b>2003</b>
Investment revenue (loss)	\$ 513	\$ (339)
Balance, beginning of year	<u>13,782</u>	<u>14,121</u>
Balance, end of year	<u>\$14,295</u>	<u>\$13,782</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**

	<b>2004</b>	<b>2003</b>
Investment revenue (loss)	\$ 1,265	\$ (836)
Balance, beginning of year	<u>34,016</u>	<u>34,852</u>
Balance, end of year	<u>\$35,281</u>	<u>\$34,016</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**

	<b>2004</b>	<b>2003</b>
Investment revenue (loss)	\$ 1,580	\$ (1,044)
Balance, beginning of year	<u>42,450</u>	<u>43,494</u>
Balance, end of year	<u>\$44,030</u>	<u>\$42,450</u>

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

**e. D. Eric Mitchell Memorial Fund**

	<b>2004</b>	<b>2003</b>
Contributions	\$ 313	\$ 613
Investment revenue (loss)	<u>312</u>	<u>(199)</u>
	<b>625</b>	<b>414</b>
Balance, beginning of year	<u>8,077</u>	<u>7,663</u>
Balance, end of year	<u>\$ 8,702</u>	<u>\$ 8,077</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 Evaluation.

**f. C. Oren Gilmore Fund**

	<b>2004</b>	<b>2003</b>
Contributions	\$ -	\$ 100
Investment revenue (loss)	<u>875</u>	<u>(595)</u>
	<b>875</b>	<b>(495)</b>
Medals	<u>109</u>	<u>668</u>
Excess revenue (expense)	<b>766</b>	<b>(1,163)</b>
Balance, beginning of year	<u>23,525</u>	<u>24,688</u>
Balance, end of year	<u>\$24,291</u>	<u>\$23,525</u>

This fund is designated to provide medals for the top candidates on the Uniform Evaluation.

**g. Leonard Stoller Memorial Fund**

	<b>2004</b>	<b>2003</b>
Investment revenue (loss)	\$ 378	\$ (249)
Balance, beginning of year	<u>10,150</u>	<u>10,399</u>
Balance, end of year	<u>\$10,528</u>	<u>\$10,150</u>

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

**h. Leonard Stoller Scholarship Fund**

	<b>2004</b>	<b>2003</b>
Investment revenue (loss)	\$ 16	\$ (11)
Balance, beginning of year	<u>431</u>	<u>442</u>
Balance, end of year	<u>\$ 447</u>	<u>\$ 431</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**

	<b>2004</b>	<b>2003</b>
Investment revenue (loss)	\$ 721	\$ (468)
Balance, beginning of year	<b>19,386</b>	19,507
Transfer (to) from general fund	<b>(347)</b>	347
Balance, end of year	<u><b>\$19,760</b></u>	<u><b>\$19,386</b></u>

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

**j. CA Benevolent Fund**

	<b>2004</b>	<b>2003</b>
Contributions	\$ -	\$ 1,000
Investment revenue (loss)	<b>1,822</b>	(1,175)
	<u><b>1,822</b></u>	<u>(175)</u>
Benevolence	<b>1,854</b>	-
Excess expense	<b>(32)</b>	(175)
Balance, beginning of year	<b>48,961</b>	47,961
Allocation from general fund	<b>32</b>	1,175
Balance, end of year	<u><b>\$48,961</b></u>	<u><b>\$48,961</b></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**

	<b>2004</b>	<b>2003</b>
Contribution	\$ -	\$10,000
Investment revenue (loss)	<b>930</b>	(600)
	<u><b>930</b></u>	<u>9,400</u>
Balance, beginning of year	<b>25,000</b>	15,000
Transfer (to) from general fund	<b>(879)</b>	600
Balance, end of year	<u><b>\$25,051</b></u>	<u><b>\$25,000</b></u>

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

## 5. General Funds

	<b>Total to Date</b>
J.D. Blazouske Memorial Fund	\$ 23,295
Gerard H. and M. Maureen Rodrigue Fund	11,500
D.A. Thompson Fund	11,100
Elizabeth and Thomas E. Brown CA Memorial Fund	7,000
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 LLP Chartered Accountants	14,000
Certified Public Accountants Association of Manitoba	12,659
Chartered Accountants Student Society of Manitoba	12,108
G.T. Steiman	10,000
D.M. Gordon	8,000
Grant Thornton LLP Chartered Accountants	8,000
S.W. Reid	7,500
E.R. Essery	7,000
Collins Barrow Chartered Accountants	6,200
PricewaterhouseCoopers LLP Chartered Accountants	6,000
A.M. Moore	5,500
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
R.F. Phillips	5,000
H.W. Robinson	5,000
Partners of Touche Ross & Co. Chartered Accountants	5,000
Other Contributions less than \$5,000	140,734
	<u>667,108</u>
Accumulated interest (expense)	(158,144)
Accumulated transfers to restricted funds	(3,868)
	<u>\$505,096</u>

Over the years, T.E. Brown has made contributions to various general funds totaling \$19,000.

## 6. Contributions

Contributions of \$41,753 were received during the current year at the following levels:

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

PricewaterhouseCoopers LLP Chartered Accountants: \$10,000 to the Gerard H. and M. Maureen Rodrigue Fund and \$6,000 to the PricewaterhouseCoopers LLP fund

### ■ Benefactors (Contributions between \$2,500 and \$4,999)

T.E. Brown

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

BCCA LLP Chartered Accountants	Grant Thornton LLP Chartered Accountants
Collins Barrow Chartered Accountants	R.D. Olfert
P. Dueck	L.O. Pollard
W.G. Eamer	R.F. Phillips
E.R. Essery	G.T. Steiman
The Exchange LLP Chartered Accountants	L.C. Taraska

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

BDO Dunwoody LLP Chartered Accountants  
Booke & Partners Chartered Accountants  
J.K.A. Campbell  
G.J.L. Chaput  
J.L. Charriere  
G. Kalef  
B.S. Li

PKBW Group Chartered Accountants &  
Business Advisors Inc.  
S.W. Reid  
Tadman Hornstein Chartered Accountants  
R.B. Wall  
P.D. and M.C. Wright

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

G.J. Forest  
L.P. Guenette  
D. Halpern  
G.B. Hannaford  
G.J. Hanson  
G.A. Horne  
R.M. Jones  
D.R. Keatch  
G.T. Markham

J.L. McPherson  
D.A. Morison  
Proceeds-Eric Mitchell Hockey Tournament  
K.W. Powls  
S.F. Swain  
J.W. Singleton  
M.L. Verin  
D.R. Winstone  
D.H. Wheeler

**7. CA School of Business Support**

During the year, the Foundation paid \$28,750 (2003 - \$23,000) to the Institute to assist with its funding commitment to the CA School of Business. This is the final payment of the commitment.

**8. University Support**

The Foundation has made five payments of \$25,000 to Brandon University in accordance with 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 past two years since the position became vacant in 2002. Although the Foundation has the option to discontinue funding if the position remains vacant for greater than 12 months, the matter is under discussion with the University.

During the year the Foundation made the second 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 three years.

**9. 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.**

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