



*Raising and allocating funds to foster, encourage, assist, and advance
teaching, education and research in accounting*

BUILDING FOR THE FUTURE



Manitoba Chartered
Accountants Foundation Inc.

Supporting quality accounting education in Manitoba

Manitoba Chartered Accountants Foundation Inc.

Advancing accounting education and
research in Manitoba

Mission Statement

The Mission of the Manitoba Chartered Accountants Foundation Inc. is to raise and to allocate its funds in order to foster, encourage, assist, and advance teaching, education and research in accounting and related functions.

Board of Directors

<i>President</i>	M.L. Verin, FCA
<i>Vice President</i>	E. Gliner, CA
<i>Secretary-Treasurer</i>	S.W. Reid, FCA
<i>Members at Large</i>	G. Kalef, FCA
	R.E.G. Popel, CA
	R.D. Potter, CA
	D.J. Tkach, CA
	P.J. Wintemute, FCA
	P.D. Wright, FCA
<i>Public Representative</i>	L.O. Pollard, Hon. CA
<i>Executive Secretary</i>	G.B. Hannaford, FCA

President's Message

In 1998-99 the Foundation's Board prepared a strategic plan which, among other things, set a goal of increasing the net assets of the Foundation to \$1 million. It was the view of the Board that this would generate sufficient investment income which, together with contributions received during the year, would allow the Foundation to support a number of programs that would help to improve the quality of accounting education in Manitoba.

At March 31, 2005, net assets increased to nearly \$850,000. While this is still short of the Board's goal of \$1 million, it is well above the \$475,000 level that was on hand at March 31, 1998. We thank all those who have so generously contributed to the Foundation over the past many years.

During the past year we received contributions of more than \$52,000 from a variety of sources including members, firms and the business community. In fact, we were delighted to receive a \$30,000 contribution from The Great-West Life Assurance Company (GWL) this year. GWL not only contributed the \$15,000 honorarium that the Institute of Chartered Accountants had paid to them for Charles Henaire's service to the Institute as President but also matched it with a further \$15,000 contribution.

We are also pleased to note that with the improvement in market conditions, the Foundation experienced investment income of approximately \$68,500 this year compared to \$36,900 last year. This represented a return of over 7 percent on the funds invested.

Overall this resulted in an excess of revenue over expenses of approximately \$58,000 this year. This was a major improvement over last year where revenue exceeded expenses by only \$300.

The 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 2004-05, I am pleased to report that we have been able to continue 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 third annual instalment of five \$25,000 payments to the I.H. Asper School of Business. The Foundation has also entered into an agreement with Brandon University to provide \$12,500 a year over the next 10 years to support accounting education at that university.

The Foundation also continued its support 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 seventh consecutive annual instalment of \$5,000 in support of ABEP.

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 each of four Manitoba students who placed on the CICA National Honour Roll on the 2004 Uniform Evaluation. In addition, bursaries totaling \$2,000 were provided to two students who were deserving of such support.

The Board has reviewed 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 the CA School of Business 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.

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 new programs 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 our 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 dark ink that reads "M.L. Verin". The signature is fluid and cursive, written in a professional 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, 2005 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, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Booke + Partners

Winnipeg, Manitoba
April 22, 2005

BOOKE & PARTNERS
CHARTERED ACCOUNTANTS

Manitoba Chartered Accountants Foundation Inc.

Statement of Financial Position as at March 31

	2005	2004
Assets		
Cash and Short Term Investments	\$ 46,638	\$ 19,009
Long Term Investments (note 3)	799,216	768,738
Other	760	1,195
Total Assets	\$ 846,614	\$ 788,942
Liabilities	\$ 2,000	\$ 2,500
Net Assets		
Restricted Funds (note 4)	328,848	281,346
General Funds (note 5)	515,766	505,096
	<u>844,614</u>	<u>786,442</u>
Total Liabilities and Net Assets	\$ 846,614	\$ 788,942

Statement of Operations and Changes in Net Assets for the Year Ended March 31

	General Funds		Restricted Funds	
	2005	2004	2005	2004
Revenue				
Contributions (note 6)	\$ 22,145	\$ 41,440	\$ 30,313	\$ 313
Investment	44,297	24,079	24,270	12,780
	<u>66,442</u>	<u>65,519</u>	<u>54,583</u>	<u>13,093</u>
Expense				
University Support (note 7)	37,500	25,000	-	-
Investment Fees	4,788	4,729	2,623	2,508
Aboriginal Business Education Program Support	5,000	5,000	-	-
Uniform Evaluation Awards	4,000	1,000	-	-
Projects	3,331	3,303	-	-
Awards and Bursaries	2,000	2,500	590	109
Miscellaneous	3,021	3,544	-	-
CA School of Business Support	-	28,750	-	-
Benevolence	-	-	-	1,854
	<u>59,640</u>	<u>73,826</u>	<u>3,213</u>	<u>4,471</u>
Excess Revenue (Expense)	6,802	(8,307)	51,370	8,622
Net Assets, Beginning of Year	505,096	510,349	281,346	275,778
Allocation from Restricted Funds (note 4)	3,868	3,054	(3,868)	(3,054)
Net Assets, End of Year	\$ 515,766	\$ 505,096	\$ 328,848	\$ 281,346

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, 2005

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 business 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.

3. Long Term Investments

	2005	2004
Cost		
Fixed income funds	\$ 368,062	\$ 341,934
Equity funds	308,656	303,643
Real estate funds	122,498	123,161
	<u>\$ 799,216</u>	<u>\$ 768,738</u>
Market	<u>\$ 842,485</u>	<u>\$ 827,912</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. During the current year, all allocations have been repaid to the general fund.

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.

Notes to Financial Statements for the Year Ended March 31, 2005

a. Alexander Campbell and Howard W. Robinson Award Fund	2005	2004
Investment revenue	\$ 3,809	\$ 1,860
Balance, beginning of year	50,000	50,000
Transfer to general fund	(1,750)	(1,860)
Balance, end of year	<u>\$ 52,059</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	2005	2004
Investment revenue	\$ 1,089	\$ 513
Balance, beginning of year	14,295	13,782
Balance, end of year	<u>\$ 15,384</u>	<u>\$ 14,295</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	2005	2004
Investment revenue	\$ 2,687	\$ 1,265
Balance, beginning of year	35,281	34,016
Balance, end of year	<u>\$ 37,968</u>	<u>\$ 35,281</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	2005	2004
Investment revenue	\$ 3,354	\$ 1,580
Balance, beginning of year	44,030	42,450
Balance, end of year	<u>\$ 47,384</u>	<u>\$ 44,030</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	2005	2004
Contributions	\$ 313	\$ 313
Investment revenue	687	312
	<u>1,000</u>	<u>625</u>
Balance, beginning of year	8,702	8,077
Balance, end of year	<u>\$ 9,702</u>	<u>\$ 8,702</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.

Notes to Financial Statements for the Year Ended March 31, 2005

f. C. Oren Gilmore Fund	2005	2004
Investment revenue	\$ 1,851	\$ 875
Medals	<u>590</u>	<u>109</u>
Excess revenue	1,261	766
Balance, beginning of year	<u>24,291</u>	<u>23,525</u>
Balance, end of year	<u>\$ 25,552</u>	<u>\$ 24,291</u>

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

g. Leonard Stoller Memorial Fund	2005	2004
Investment revenue	\$ 802	\$ 378
Balance, beginning of year	<u>10,528</u>	<u>10,150</u>
Balance, end of year	<u>\$ 11,330</u>	<u>\$ 10,528</u>

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

h. Leonard Stoller Scholarship Fund	2005	2004
Investment revenue	\$ 34	\$ 16
Balance, beginning of year	<u>447</u>	<u>431</u>
Balance, end of year	<u>\$ 481</u>	<u>\$ 447</u>

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



Notes to Financial Statements for the Year Ended March 31, 2005

i. James W. Clarke Fund	2005	2004
Investment revenue	\$ 1,506	\$ 721
Balance, beginning of year	19,760	19,386
Transfer to general fund	-	(347)
Balance, end of year	<u>\$ 21,266</u>	<u>\$ 19,760</u>

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

j. CA Benevolent Fund	2005	2004
Investment revenue	\$ 3,730	\$ 1,822
Benevolence	-	1,854
Excess revenue (expense)	<u>3,730</u>	<u>(32)</u>
Balance, beginning of year	48,961	48,961
Transfer (to) from general fund	<u>(2,118)</u>	<u>32</u>
Balance, end of year	<u>\$ 50,573</u>	<u>\$ 48,961</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	2005	2004
Investment revenue	\$ 1,908	\$ 930
Balance, beginning of year	25,051	25,000
Transfer to general fund	-	(879)
Balance, end of year	<u>\$ 26,959</u>	<u>\$ 25,051</u>

This fund is designated to pay bursaries to students, with some emphasis on those resident in Northern Manitoba. It was established by donations from The Joe Brain Foundation Inc., of which Walter Dubowec is a co-founder and President.

l. Great-West Life Fund	2005	2004
Contribution	\$ 30,000	\$ -
Investment revenue	190	-
Balance, end of year	<u>\$ 30,190</u>	<u>\$ -</u>

During the year, the Foundation received a donation from The Great-West Life Assurance Company. The purpose of this fund is to provide the Great-West Life Leadership Award to the successful candidate on the UFE who exemplifies leadership in their academic, work and community activities.

Notes to Financial Statements for the Year Ended March 31, 2005

5. General Funds

	Total to Date
J.D. Blazouske Memorial Fund	\$ 23,295
The Exchange LLP Chartered Accountants Fund	15,000
Gerard H. and M. Maureen Rodrigue Fund	12,000
D.A. Thompson Fund	11,100
Elizabeth and Thomas E. Brown CA Memorial Fund	10,000
G.T. Steiman Fund	10,000
D.M. Gordon Fund	8,000
Grant Thornton LLP Chartered Accountants Fund	8,000
S.W. Reid Fund	8,000
E.R. Essery Fund	7,000
PricewaterhouseCoopers LLP Chartered Accountants Fund	7,000
J.C. Wirth Memorial Fund	7,000
Collins Barrow Chartered Accountants Fund	6,200
J. Mazur Fund	6,000
A.M. Moore Fund	5,500
L.P. Guenette Fund	5,150
D.G. Mitchell Fund	5,100
BCCA LLP Chartered Accountants Fund	5,000
G.J.L. Chaput Fund	5,000
W.M. and N.I. Hurley Memorial Fund	5,000
Fred Johnson Memorial Fund	5,000
W.G. Konantz Fund	5,000
Meyers Norris Penny LLP Chartered Accountants Fund	5,000
R.F. Phillips Fund	5,000
L.O. Pollard Fund	5,000
H.W. Robinson Fund	5,000
Christina Tibbs Fund	5,000
Partners of Touche Ross & Co. Chartered Accountants Fund	5,000
Jeanette Gusto Memorial Fund	2,900
Other Contributions:	
The Institute of Chartered Accountants of Manitoba	316,512
Certified Public Accountants Association of Manitoba	12,659
Chartered Accountants Student Society of Manitoba	12,108
Other Contributions less than \$5,000	135,729
	<u>689,253</u>
Less distributions in excess of income earned	173,487
	<u><u>\$ 515,766</u></u>

Over the years, T.E. Brown has made contributions to various general funds totaling \$22,000.

6. Contributions

Contributions of \$52,458 were received during the current year at the following levels:

- **The President's Circle (Contributions of or exceeding \$5,000)**
The Great-West Life Assurance Company

Notes to Financial Statements for the Year Ended March 31, 2005

- **Benefactors (Contributions between \$2,500 and \$4,999)**
T.E. Brown
- **Contributors (Contributions between \$1,000 and \$2,499)**

BCCA LLP Chartered Accountants	L.O. Pollard
W.G. Eamer	PricewaterhouseCoopers LLP Chartered Accountants
The Exchange LLP Chartered Accountants	L.C. Taraska
S.W. Linhart	R.B. Wall
J. Mazur	R.H.G. Walton
- **Supporters (Contributions between \$500 and \$999)**

J.K.A. Campbell	PKBW Group Chartered Accountants & Business Advisors Inc.
G.J.L. Chaput	S.W. Reid
P. Dueck	G.H. Rodrigue
G. Kalef	P.D. and M.C. Wright
R.W. Kowalchuk	
- **Donors (Contributions less than \$500)**

Booke & Partners Chartered Accountants	J.L. McPherson
G.J. Forest	D.A. Morison
M.M. Gray	Proceeds - Eric Mitchell Hockey Tournament
L.P. Guenette	K.W. Powls
G.B. Hannaford	T.J. Prychitko
G.J. Hanson	W.J. Pugh
G.A. Horne	M.C. Rankin
W.L. Johnston	Research House Inc.
R.M. Jones	J.G.M. Scollan
D.R. Keatch	W. Senkiw
B.M. Lapchuk	J.W. Singleton
B.S. Li	S.F. Swain
G.T. Markham	M.L. Verin
G.D. Mason	D.H. Wheeler

7. University Support

In 2005, the Foundation renegotiated its agreement with Brandon University. The new 10 year agreement provides for payments of \$12,500 to be made annually commencing this year.

During the year the Foundation made the third 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 two years.

8. Statement of Cash Flows

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



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