



2008 Annual Report

Manitoba Chartered Accountants Foundation Inc.



President's Message

It has been my pleasure to succeed Mel Verin who served as President of the Foundation for 11 years. Due to the hard work of Mel and those who served on the Board with him, the net assets of the Foundation surpassed the \$1 million mark for the first time in 2007. This past year saw continued growth in our net assets with nearly \$525,000 in restricted funds and just under \$590,000 in our general funds at March 31, 2008.

The Foundation's mission is to support quality accounting education in Manitoba. Over the past several years the Foundation Board has identified a number of important initiatives in support of this mission. During 2007-08, I am pleased to report that we have been able to continue many of these initiatives.

While the Foundation fulfilled its five-year commitment of \$25,000 per year to the I.H. Asper School of Business in 2006-07, we have continued our ten-year commitment of \$12,500 per year to support accounting education at Brandon University.

The Foundation also continued its support of the Aboriginal Business Education Program (ABEP) at the University of Manitoba as we encourage young aboriginal students to consider a career as a Chartered Accountant. This past year we made our tenth consecutive contribution 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 2007-08, \$1,000 was awarded to each of the two students who placed on the CICA National Honour Roll for the 2007 Uniform Evaluation. In addition, a total of \$5,000 was provided as bursaries to three students who were deserving of such support.

To pay for these programs, we have two primary sources of income to support the work of the Foundation - contributions from members, firms and the business community and investment income from funds managed by GWL Investment Management Ltd. There was a significant increase in contributions received this past year. This was due primarily to the bequest of \$50,000 from the Estate of Allan Moore.

Contributions to the restricted funds totalled nearly \$60,000 compared to only \$5,900 last year. Contributions received in the general fund were also up from \$22,800 last year to just over \$25,000 in 2007-08. These contributions came from more than 50 different members, firms

and businesses. A list of contributors is included in Note 7 to the financial statements, which are included in this Annual Report. We thank all those who have given so generously to the Foundation this past year.

There was a decline in investment income due to losses in the equity portion of the long-term portfolio which occurred in the January to March 2008 time period. In 2007, the Foundation had adopted the new recognition, measurement, presentation and disclosure requirements for financial instruments. Its long-term portfolio, which is classified as held-for-trading, is now measured at fair value instead of cost and as a result is vulnerable to fluctuations in the market. Even with that, investment income was nearly \$26,000 in total. This was down considerably from last year's investment income of \$79,600.

The instability in the market is expected to continue into the coming year. The portfolio is invested jointly with the portfolio of The Institute of Chartered Accountants of Manitoba and is monitored regularly by an Investment Advisory Committee made up of representatives of both organizations.

Overall, the Foundation showed an excess of revenue over expenses of \$70,900 - \$59,400 in the restricted funds and \$11,500 in the general funds. This reflects an increase of nearly \$32,600 over last year.

As I complete my first year as President of the Foundation, I must once again thank all those who have contributed to the work of the Foundation. Your gifts, be they monetary or of time and talent, help us fulfill our mandate. For those who have not already done so, please consider making a contribution so that your Board can continue to ensure quality accounting education in Manitoba.



P.D. Wright, FCA
President

A handwritten signature in black ink, appearing to read "P.D. Wright". The signature is fluid and cursive, written over a white background.

P.D. Wright, 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, 2008 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, 2008 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 18, 2008

BOOKE & PARTNERS
CHARTERED ACCOUNTANTS

Manitoba Chartered Accountants Foundation Inc.

Statement of Financial Position as at March 31

	2008	2007
Assets		
Cash	\$ 90,886	\$ 39,659
Long Term Investments (note 4)	1,026,404	1,009,956
Other	-	66
Total Assets	<u>\$1,117,290</u>	<u>\$1,049,681</u>
Liabilities	\$ 5,000	\$ 8,250
Net Assets		
Restricted Funds (note 5)	522,298	452,304
General Funds (note 6)	589,992	589,127
	<u>1,112,290</u>	<u>1,041,431</u>
Total Liabilities and Net Assets	<u>\$1,117,290</u>	<u>\$1,049,681</u>

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

	General Funds		Restricted Funds	
	2008	2007	2008	2007
Revenue				
Contributions (note 7)	\$ 25,055	\$ 22,760	\$ 59,432	\$ 5,917
Investment (note 4)	14,439	47,369	11,695	32,193
	<u>39,494</u>	<u>70,129</u>	<u>71,127</u>	<u>38,110</u>
Expense				
University Support (note 8)	12,500	37,500	-	-
Aboriginal Business Education Program Support	5,000	5,000	-	-
Investment Fees	4,696	5,067	3,804	3,443
Miscellaneous	2,752	2,391	-	-
Uniform Evaluation (UFE) Awards	2,000	8,000	-	-
Projects	1,028	1,392	-	-
Awards and Bursaries	-	-	7,982	7,162
	<u>27,976</u>	<u>59,350</u>	<u>11,786</u>	<u>10,605</u>
Excess Revenue	11,518	10,779	59,341	27,505
Net Assets, Beginning of Year	589,127	528,565	452,304	394,132
Change in Accounting Policy (note 3)	-	49,783	-	30,667
Transfer to Restricted Funds (note 5)	<u>(10,653)</u>	<u>-</u>	<u>10,653</u>	<u>-</u>
Net Assets, End of Year	<u>\$589,992</u>	<u>\$589,127</u>	<u>\$522,298</u>	<u>\$452,304</u>

Approved on behalf of the Board,



P.D. Wright, FCA
President



K.B. Phernambucq, CA
Secretary-Treasurer

Manitoba Chartered Accountants Foundation Inc.

Notes to Financial Statements for the Year Ended March 31, 2008

1. General

The purpose of the Manitoba Chartered Accountants Foundation Inc. (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 controlled by The Institute of Chartered Accountants of Manitoba (Institute) through its approval of the strategic plans. The Institute provides and pays for a significant portion of administration costs. The Foundation is incorporated under *The Corporations Act* of Manitoba and is a registered charity under the *Income Tax Act*.

2. Significant Accounting Policies

Investments are classified as held-for-trading and are recorded at fair value. Fair values are estimated using quoted market prices.

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the applicable restricted fund in the year the contribution is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as general revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recorded on a proportionate share of revenue, gains, losses, and expenses within the pooled funds, as well as on disposition of units owned. Investment income includes interest and dividend income and realized and unrealized gains and losses. 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. Change in Accounting Policy

In April 2005, the Accounting Standards Board issued two new Handbook sections on financial instruments that affect the Foundation, Section 3855 and Section 3861. Section 3855 Financial Instruments - Recognition and Measurement addresses when financial instruments should be recognized and how they should be measured. Section 3861 Financial Instruments - Disclosure and Presentation provides standards for how financial instruments should be classified on financial statements and the disclosure requirements.

The Foundation adopted both of the sections for the fiscal year ended March 31, 2007. These standards were applied retroactively without restatement of comparative financial statements. As at April 1, 2006 the Foundation recorded a non-cash credit of \$80,450 to net assets for the change in accounting for financial assets which are classified as held-for-trading and are measured at fair value instead of cost.

The Accounting Standards Board has issued a number of new standards that will affect the Foundation. Section 1535 - Capital Disclosures, establishes standards for disclosing information about an entity's capital and how it is managed. Section 3862 Financial Instruments - Disclosures, enhances the disclosure requirements of Section 3861 by placing an increased emphasis on disclosures about the risks associated with both recognized and unrecognized financial instruments and how these risks are managed. Both qualitative and quantitative information about exposures to risks arising from financial instruments including credit, interest rate, liquidity, currency and other price risks are required to be disclosed. Section 3863 Financial Instruments - Presentation, carries forward, unchanged, the presentation requirements of Section 3861, which was implemented last year. These new standards will be implemented during the next fiscal year. Implementation of these standards will only affect the disclosures contained in the Notes to the Financial Statements.

Notes to Financial Statements for the Year Ended March 31, 2008

4. Financial Instruments

The Foundation's financial instruments consist of cash, long term investments and accounts payable.

For cash and accounts payable, the fair values approximate their carrying amounts.

The fair values of long term investments are as follows:

	2008		2007	
	Market	Cost	Market	Cost
Canadian fixed income funds	\$ 280,767	\$277,914	\$ 364,400	\$359,757
Equity funds	563,213	577,473	453,213	433,777
Canadian real estate funds	182,424	124,487	192,343	142,035
	<u>\$1,026,404</u>	<u>\$979,874</u>	<u>\$1,009,956</u>	<u>\$935,569</u>

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

The fixed income funds invest primarily in federal and provincial government debt obligations, medium to high quality corporate debt securities and mortgages on Canadian property. The government debt obligations and medium to high quality corporate debt securities within the fixed income funds have an average effective interest rate of 4.1% (2007-5.2%), with maturity dates ranging from 3 to 20 years.

As at March 31, approximately 63% (2007-72%) of the fixed income funds were comprised of mortgage investments. The mortgage portfolio is diversified across regional markets, with 46% (2007-46%) of mortgages located in Ontario and the remainder spread across Canada. The portfolio is also diversified by type of mortgage, with 77% (2007-74%) being commercial mortgages, and the remainder being residential and other. These investments have an average effective interest rate of 4.7% (2007-5.9%) and an average term of 6.4 years (2007-6.7 years).

The equity funds invest predominantly in shares of publicly traded Canadian medium and large capitalized companies, publicly traded shares in the U.S. market, and a combination of common shares and other equity investments issued by non-North American companies which are traded primarily outside Canada and the United States.

As at March 31, the Foundation's equity funds include the following currencies:

	2008	2007
Canadian	\$315,806	\$221,137
U.S.	123,790	115,792
European	84,059	81,399
Japanese	21,015	23,257
Other	18,543	11,628
	<u>\$563,213</u>	<u>\$453,213</u>

The real estate fund consists of income producing real estate properties diversified by both location and type. At March 31, 48% (2007-51%) of the portfolio was located in Ontario, with the remainder spread across Canada and 52% (2007-49%) invested in office real estate.

Investment income is comprised of the following:

	2008	2007
Interest from cash	\$ 934	\$ 2,350
Interest and dividends from pooled funds	30,198	37,793
Realized gains on sale of investments	22,859	45,482
Unrealized loss on investments	(27,857)	(6,063)
	<u>\$26,134</u>	<u>\$79,562</u>

Notes to Financial Statements for the Year Ended March 31, 2008

5. 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.

During the current year, a transfer was made from the General Fund to the Allan M. Moore 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.

a. Alexander Campbell and Howard W. Robinson Award Fund	2008	2007
Investment revenue	\$ 991	\$ 3,863
Bursaries	<u>2,750</u>	<u>1,750</u>
Excess revenue (expense)	<u>(1,759)</u>	<u>2,113</u>
Balance, beginning of year	60,780	53,751
Change in accounting policy (note 3)	-	4,916
Balance, end of year	<u><u>\$59,021</u></u>	<u><u>\$60,780</u></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	2008	2007
Investment revenue	\$ 311	\$ 1,184
Balance, beginning of year	19,067	16,475
Change in accounting policy (note 3)	-	1,408
Balance, end of year	<u><u>\$19,378</u></u>	<u><u>\$19,067</u></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	2008	2007
Investment revenue	\$ 767	\$ 2,922
Balance, beginning of year	47,074	40,660
Change in accounting policy (note 3)	-	3,492
Balance, end of year	<u><u>\$47,841</u></u>	<u><u>\$47,074</u></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	2008	2007
Investment revenue	\$ 958	\$ 3,647
Balance, beginning of year	58,751	50,744
Change in accounting policy (note 3)	-	4,360
Balance, end of year	<u><u>\$59,709</u></u>	<u><u>\$58,751</u></u>

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

Notes to Financial Statements for the Year Ended March 31, 2008

e. D. Eric Mitchell Memorial Fund	2008	2007
Contributions	\$ 846	\$ 317
Investment revenue	<u>226</u>	<u>813</u>
	1,072	1,130
Balance, beginning of year	13,017	10,994
Change in accounting policy (note 3)	-	893
Balance, end of year	<u>\$14,089</u>	<u>\$13,017</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 UFE.

f. C. Oren Gilmore Fund	2008	2007
Contributions	\$ -	\$ 100
Investment revenue	<u>494</u>	<u>1,952</u>
	494	2,052
Medals	<u>389</u>	<u>1,192</u>
Excess revenue	105	860
Balance, beginning of year	30,318	27,069
Change in accounting policy (note 3)	-	2,389
Balance, end of year	<u>\$30,423</u>	<u>\$30,318</u>

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

g. Leonard Stoller Memorial Fund	2008	2007
Investment revenue	\$ 229	\$ 872
Balance, beginning of year	14,043	12,133
Change in accounting policy (note 3)	-	1,038
Balance, end of year	<u>\$14,272</u>	<u>\$14,043</u>

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

h. Leonard Stoller Scholarship Fund	2008	2007
Investment revenue	\$ 10	\$ 37
Balance, beginning of year	600	515
Change in accounting policy (note 3)	-	48
Balance, end of year	<u>\$ 610</u>	<u>\$ 600</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	2008	2007
Contributions	\$ -	\$ 5,000
Investment revenue	<u>498</u>	<u>1,915</u>
	498	6,915
Balance, beginning of year	30,529	21,643
Change in accounting policy (note 3)	-	1,971
Balance, end of year	<u>\$31,027</u>	<u>\$30,529</u>

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

j. CA Benevolent Fund	2008	2007
Investment revenue	\$ 1,025	\$ 3,892
Balance, beginning of year	62,886	54,159
Change in accounting policy (note 3)	-	4,835
Balance, end of year	<u>\$63,911</u>	<u>\$62,886</u>

This fund was originally designated to provide financial assistance to members of the Institute and their families. If in any given year, there was no need for assistance, funds were made available to pay bursaries to CA students in financial need in a subsequent year. Alternative uses for these funds are being considered.

Notes to Financial Statements for the Year Ended March 31, 2008

k. Walter Dubowec, FCA, Bursary Fund	2008	2007
Investment revenue	\$ 791	\$ 3,158
Bursaries	<u>2,250</u>	<u>1,500</u>
Excess revenue (expense)	(1,459)	1,658
Balance, beginning of year	48,529	43,935
Change in accounting policy (note 3)	-	2,936
Balance, end of year	<u><u>\$47,070</u></u>	<u><u>\$48,529</u></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. The Great-West Life Fund	2008	2007
Contributions	\$ 5,000	\$ -
Investment revenue	<u>630</u>	<u>2,247</u>
	5,630	2,247
Awards	<u>1,027</u>	<u>1,073</u>
Excess revenue	4,603	1,174
Balance, beginning of year	33,679	31,266
Change in accounting policy (note 3)	-	1,239
Balance, end of year	<u><u>\$38,282</u></u>	<u><u>\$33,679</u></u>

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 community, professional and academic activities.

m. William G. Eamer Fund	2008	2007
Contributions	\$ 2,500	\$ 500
Investment revenue	<u>579</u>	<u>2,248</u>
	3,079	2,748
Awards	<u>1,566</u>	<u>1,647</u>
Excess revenue	1,513	1,101
Balance, beginning of year	33,031	30,788
Change in accounting policy (note 3)	-	1,142
Balance, end of year	<u><u>\$34,544</u></u>	<u><u>\$33,031</u></u>

This fund was established by a donation from William G. Eamer. This fund is designated to provide awards to recognize overall academic achievement in the CA School of Business program.

n. Allan M. Moore Fund	2008	2007
Contributions	\$51,086	\$ -
Investment revenue	<u>382</u>	<u>-</u>
	51,468	-
Transfer from general fund	<u>10,653</u>	<u>-</u>
Balance, end of year	<u><u>\$62,121</u></u>	<u><u>\$ -</u></u>

This fund was established by a donation from the Estate of Allan M. Moore. Donations made in prior years by Mr. Moore, along with accumulated interest, have been transferred from the General Fund with the agreement of the estate executors. This fund will be used for scholarships for high school students interested in attending university and becoming a CA.

Notes to Financial Statements for the Year Ended March 31, 2008

6. General Funds

J.D. Blazouske Memorial Fund	\$ 23,295
The Exchange Chartered Accountants LLP Fund	17,000
Elizabeth and Thomas E. Brown CA Memorial Fund	14,000
Gerard H. and M. Maureen Rodrigue Fund	13,500
D.A. Thompson Fund	11,100
Deloitte & Touche LLP Fund	10,000
S.W. Reid Fund	10,000
G.T. Steiman Fund	10,000
L.C. Taraska Fund	9,550
D.M. Gordon Fund	8,000
Grant Thornton LLP Chartered Accountants Fund	8,000
PricewaterhouseCoopers LLP Chartered Accountants Fund	8,000
Ernst & Young LLP Chartered Accountants Fund	7,500
E.R. Essery Fund	7,000
J. Mazur Fund	7,000
L.O. Pollard Fund	7,000
J.C. Wirth Memorial Fund	7,000
G.J.L. Chaput Fund	6,500
R.B. Wall Fund	6,350
Collins Barrow Chartered Accountants Fund	6,200
S.W. Linhart Fund	6,000
L.P. Guenette Fund	5,900
Reginald H. Walton Fund	5,400
G. Kalef Fund	5,200
D.G. Mitchell Fund	5,100
BCCA LLP Chartered Accountants 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
H.W. Robinson Fund	5,000
Christina Tibbs Fund	5,000
Western CA Services Association / Meloche Monnex 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	<u>141,689</u>
	755,463
Transfer to restricted funds	(10,653)
Distributions in excess of income earned	<u>(154,818)</u>
	<u><u>\$589,992</u></u>

Over the years, T.E. Brown has made contributions to various general funds totaling \$26,000.



Board of Directors and Officers

Paul D. Wright, FCA, President
Richard E.G. Popel, CA, Vice-President
Kenneth B. Phernambucq, CA, Secretary-Treasurer
Thomas A. Bryk, FCA
William G. Eamer, FCA
Douglas J. Einarson, CA
Larry H. Frostiak, FCA
Charles D.H. Henaire, FCA
Susan P. Nemec, CA
Lorraine C. Taraska, FCA
Gary B. Hannaford, FCA, Executive Secretary

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.

Manitoba Chartered Accountants Foundation Inc.

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