



Chartered Accountants
Education Foundation
of Alberta
Annual Report 2010





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Message from the Chair and Executive Director

Executive Message

There's no doubt that 2009/10 was an auspicious year for the Chartered Accountants Education Foundation of Alberta (CAEF or "the Foundation"). During a year of economic uncertainty and global challenges to the business sector, the Foundation enjoyed one of its most successful years ever. That kind of success -- in that kind of year -- is perhaps the best-possible tribute to Alberta's CAs and other supporters of the Foundation. Donor generosity was the catalyst for some landmark achievements for the Foundation in 2009/10.

Arguably, the highlight of the year for the Foundation was the success of the Bridges to the Future program and, in particular, the popularity of the Bridge Builders initiative. First unveiled in September 2008, the concept of Bridges to the Future was to link with the Institute of Chartered Accountants of Alberta (ICAA) initiative to grow the CA profession by attracting qualified career-changers and New Canadians to pursue the designation. Thanks to a truly outstanding level of support, including almost 100 donors who each gave \$1,000 or more and became Bridge Builders, the concept became reality in 2009/10. "Bridges to the Future" is expected to be launched at the University of Lethbridge's Edmonton campus in May 2010.

As successful as the Bridges initiative was, it did not detract from the CAEF's ability to support individual students, post-secondary institutions, and other CAEF commitments at levels comparable to other years.

During 2009/10, the Foundation also produced its first-ever Report to the Community, a publication to celebrate Foundation achievements that was distributed to donors, governments, business leaders, post-secondary institutions and other interested audiences.

Overall, it was a busy and productive year for the Foundation. That certainly won't change in 2010/11; the Foundation Board has laid out an ambitious set of priorities and initiatives. Among those initiatives is a once-in-a-century event coming in September 2010: the "ICAA Centennial Spur-tacular." This event, hosted by the ICAA, will be a western-themed celebration of the profession's centennial, with proceeds going to the Foundation. We hope to see all Foundation supporters at the event on September 21 in Calgary.

Whether in 2009/10 or in any year, support for the Foundation by Alberta's CAs and others make all of our work possible, and for that, we thank all of those who care about, and work for, the Foundation's goals. We look forward to another successful year in 2010/11.

Respectfully submitted,

Garry Cook FCA
Chair, Board of Governors

Jane Halford CA
Executive Director

Management's Discussion & Analysis April 26, 2010

The CAEF mission is: The Chartered Accountants Education Foundation of Alberta supports business education and promotes the excellence of the CA profession. The vision for the CAEF is: The CAEF is highly respected by members, post-secondary institutions and donors for its demonstrable contributions to business education and to the CA brand.

In alignment of its mission and in pursuit of its vision, the CAEF developed its first-ever three-year strategic plan in 2008/09. For the 2009/10 year, the CAEF began to implement the 14 strategic initiatives in that three-year plan. Those strategies are as follows:

- Support a prequalification bridging program in partnership with CA School of Business;
- Commit to a fund-raising goal and timeframe to achieve strategic initiatives;
- Fund post-secondary institutions that have been beyond our scope that are more flexible and enjoy newly acquired degree granting status;
- Better promote what the CA profession contributes to education in Alberta and in Canada;
- Better promote the CA career with high school students;
- Actively survey secondary school students and universities to better understand their needs;
- Evaluate the effectiveness of scholarships, particularly as they relate to giving in proportion to need;
- Support sufficient PhD students through the completion of their studies;
- Continue to contribute to operations of the four traditional universities the CAEF has historically supported;
- Support the professional development of accounting academics;
- Link and leverage CA fund-raising with other Western provincial Institutes;
- Develop salary top-up or support programs for the four historically supported universities to meet the market rates;
- Proactively promote how CAs are unique and their contribution to education; and
- Commit to a joint meeting of the CAEF Board and ICAA Council.

Key performance drivers

As an organization that operates in the not-for-profit sector, CAEF is not driven solely by financial results; however, it does rely on financial indicators to ensure that the resources entrusted to it are used efficiently and in an appropriate manner. Several non-financial indicators are also used to measure the progress of implementation of the strategy and achieving goals. The primary indicators of CAEF's success are financial performance and accomplishments compared to the Business Plan.

Financial performance

CAEF management prepares a budget each year that represents the expectations articulated in the Business Plan. The Board of Governors receives quarterly reporting on the actual income and expenses and any variance from budget to monitor the extent to which its financial objectives have been met, and by how effectively its financial resources have been managed.

Management's Discussion & Analysis April 26, 2010

Achieving goals

The strategic plan extends to 2012 with different initiatives prioritized in each of the years. The actions to accomplish these initiatives are outlined and reported to the Board of Governors on a semi-annual basis to monitor the progress and effectiveness.

Capability to deliver results

The Foundation's ability to deliver results is dependent on three factors: capital resources and liquidity, net assets, and non-financial resources.

Capital resources and liquidity

At March 31, 2010, the Foundation had cash and investments totaling approximately \$2,370,000 (March 31, 2009 - \$2,405,000). Investments are presented at market value. The Foundation's investments are a diverse portfolio of fixed income and Canadian and International equities managed by a qualified investment counselor on which it earns interest, dividend and capital gains income. The portfolio has recovered a significant portion of the losses suffered due to market conditions in 2009, with total gains of \$349,000 compared to losses in the prior year of \$380,000. During the year the Foundation realized a gain due to liquidating the investments for the purpose of changing investment advisors.

Net assets

Net assets at March 31, 2010 totaled \$2,361,000, comprising: \$1,995,000 externally restricted by the contributors, \$32,000 in net assets internally restricted as they resulted from donations and the net investment income earned on its retained donations relating to the Bridges to the Future campaign, and \$334,000 in unrestricted net assets.

Non-financial resources

In addition to one full time staff position, the Foundation relies on experienced volunteers and the staff of the Institute of Chartered Accountants of Alberta (ICAA) to carry out its mandate. The Foundation benefits enormously from the support of CAs who volunteer time and energy to strengthen the goals of the Foundation. Among the staff of the ICAA, there are diverse backgrounds and specialties that the Foundation can draw on to advance its goals. These volunteers and Institute staff ensure that the Foundation's goals are achieved.

Results and outlook

In 2009/10, the first full year of activity under the three-year strategic plan, the Foundation focused on eight of the identified strategies. The significant achievements of the past year for these eight strategies are identified below, organized by strategy.

Strategy: Support a prequalification bridging program in partnership with CA School of Business

- During the past year, the ICAA has worked closely with the University of Lethbridge to develop the CA Bridging Program. The post-secondary institution was selected to partner with the ICAA because it has campuses in both Edmonton and Calgary. Designed for internationally-educated professionals, and people with non-business bachelor degrees or non-accounting business degrees, the CA Bridging Program is a specially designed suite of courses that offers the prerequisites needed to qualify for the CA School of Business (CASB). The program will launch in May 2010 in Edmonton and later in Calgary.

Management's Discussion & Analysis April 26, 2010

Strategy: Commit to a fund-raising goal and timeframe to achieve strategic initiatives

- Building from the launch of the Bridges to the Future campaign in 2008/09, fundraising for the bridging initiative in 2009/10 was an immense success. Thanks to support from those who joined the Bridge Builders Club as well as other donors, \$138,250 was raised toward the Bridges to the Future campaign, bringing the two year campaign total to \$219,000.
- An important component of fund development is donor relations and stewardship. In 2009/10, the Foundation hosted two donor recognition events (one in Calgary and one in Edmonton) to recognize and honour major donors. At each event, donors and guests were invited to a production of *Romeo and Juliet* by the Alberta Ballet.

Strategy: Fund post-secondary institutions that have been beyond our scope

- For the first time ever, the Foundation invited new post-secondary institutions to submit funding proposals in 2009/10 for the upcoming 2010/11 academic year. In recent years, the Northern Alberta Institute of Technology, Mount Royal University, Grant MacEwan University, and Concordia University College of Alberta were approved to offer bachelor degrees in business in addition to the traditional universities. This change presents the Foundation with an opportunity to expand its reach by supporting business education and recruiting CA students from a wider range of campuses.

Strategy: Proactively promote how CAs are unique and their contribution to education

Strategy: Better promote what the CA profession contributes to education in Alberta and in Canada

- In 2009/10, the Foundation published the first-ever Report to the Community which highlighted significant achievements and recognized individual stakeholders. The publication will be printed annually and distributed to government, donors, stakeholders and community groups.

Strategy: Support sufficient PhD students through the completion of their studies

- In 2009/10, the Foundation supported five PhD students in post-secondary institutions throughout North America. One student is completing the last year of PhD studies. The Foundation has invited four PhD students in good standing to re-apply for funding for the upcoming academic year. Under this program, eligible PhD candidates can receive up to \$20,000 per year in loans. For each year that the recipient teaches at a degree granting institution in the CASB region, following completion of the PhD, one year of loan is forgiven.

Strategy: Continue to contribute to operations of the four universities that CAEF has historically supported

- In 2009/10, the CAEF and its donors contributed \$85,000 to the construction of Markin Hall, the latest in a series of multi-year commitments to this project. Markin Hall, the future home of the Faculty of Management at the University of Lethbridge, will open in fall 2010. The building features a multimedia classroom named for the CAEF and the accounting profession. The facility also includes 22 meeting rooms, a financial trading room, a career and employment centre, case study rooms and video-conference areas.
- The CAEF provided operational funding to the Universities of Alberta, Calgary, Lethbridge, and Saskatchewan, at levels similar to previous years.

Management's Discussion & Analysis April 26, 2010

Strategy: Commit to a joint meeting of the CAEF Board and ICAA Council

- For the second consecutive year, the ICAA Council and the CAEF Board gathered for a joint meeting. The meeting was an effective way to identify the common goals and strategies of both bodies.

Outlook for 2010/11

In 2010/11, the Foundation will continue to focus on achieving the strategic goals outlined in the three-year plan.

To align with the strategy of committing to fund-raising goals, the Foundation will initiate a new fundraising campaign at the *ICAA Centennial Spur-tacular: An evening in support of the CAEF* on September 21, 2010. Proceeds from the event will kick-start the new campaign.

Throughout 2010/11, donor stewardship will remain a priority. With that in mind, the Foundation will build upon its relationships with prior donors and form relationships with new donors. This includes continuing to recognize the support of Bridge Builders throughout 2010. The Foundation is also planning to honour major donors from Lethbridge and area at a Lethbridge event in fall 2010.

In the spirit of supporting business education in Alberta, the Foundation will accept 2010/11 funding applications from an expanded number of Alberta post-secondary institutions.

To promote how CAs are unique and how the CA profession contributes to education in Alberta and in Canada, the Foundation will launch an electronic newsletter in 2010. This semi-annual e-newsletter will provide donors and stakeholders with relevant information about the Foundation, and be a complement to the annual Report to the Community (the next edition of which will come out in fall 2010).

Risk

There are circumstances in the Foundation's internal and external environments that impact operational and financial risks, and uncertainties that could affect the successful implementation of its plans.

Financial

The Foundation depends on investment income and donations to fund its programs. The impact of discontinued support of important donors would have a significant effect on the operations of the Foundation. Staff works to mitigate this risk with effective communications and donor stewardship. The investment income is dependent on the market. Given that the CAEF's investment strategy includes investment in the market, the Foundation is subject to market volatility, which can impact the ability to meet obligations to stakeholders. To minimize the likelihood and impact of this risk, the Board of Governors has appointed an investment committee and has a well defined Investment Policy that articulates the investment objectives and constraints. The Investment Policy requires that the funds be managed by a qualified Investment Counselor and specifies the asset mix of the portfolio. The portfolio results are reported to the Board on a quarterly basis with the financial statements.

Management's Discussion & Analysis April 26, 2010

Human resources

The Foundation relies on the services of volunteers and Institute staff to complete its projects, and the talent and expertise of its volunteers are among its most valuable resources. At the same time, there is always some risk that volunteers may not be as willing or able to donate their time or talents in the future, due to ever-increasing competition for their attention. This means that the Foundation could eventually incur a significant cost in trying to replace lost expertise. To mitigate this risk, the Foundation continues to nurture ongoing volunteerism by ensuring positive and rewarding experiences for volunteers, and by structuring volunteer opportunities in a flexible manner.

Auditors' Report

To the Board of Governors of the Chartered Accountants Education Foundation of Alberta:

We have audited the statement of financial position of the Chartered Accountants Education Foundation of Alberta as at March 31, 2010 and the statements of operations and changes in net assets and cash flows 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kouri Berezan Heinrichs
Chartered Accountants
Edmonton, Canada

April 26, 2010

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Chartered Accountants Education Foundation of Alberta (CAEF) and all the information in this annual report are the responsibility of management.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate under the circumstances to ensure that the financial statements are presented fairly in all material respects. Management has prepared the financial information presented elsewhere in the Annual Report and has ensured that it is consistent with that in the financial statements.

The CAEF maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that CAEF's assets are appropriately accounted for and adequately safeguarded.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee, which is comprised of certain Board members and a member at large, reviews the financial statements and other information contained in the annual report and recommends them to the Board for approval. The Committee meets with management as well as the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy itself that each party is discharging its responsibilities properly and to review the financial statements and the external auditors' report. The Committee also recommends the engagement of the external auditors, which is reviewed by the Board and approved by the members.

The financial statements have been audited by Kouri Berezan Heinrichs Chartered Accountants, in accordance with Canadian generally accepted auditing standards, on behalf of the members. Kouri Berezan Heinrichs Chartered Accountants has full and free access to the Audit Committee.

Jane Halford CA
Executive Director

Linda Hornung, CA
Director of Finance, ICAA

April 26, 2010

Chartered Accountants' Education Foundation

Statement of Financial Position as at March 31

	2010	2009
Assets		
Cash	\$361,003	\$284,927
Accounts receivable and other assets	36,444	6,243
Investments (note 8)	2,009,227	2,120,412
	\$2,406,674	\$2,411,582
Liabilities		
Accounts payable and accrued liabilities	\$34,966	\$25,722
Deferred contributions (note 6)	-	325,000
Grants payable	10,592	29,570
	45,558	380,292
Net Assets (note 4 and Schedule II and III)		
Restricted externally for endowment purposes	1,552,747	1,336,479
Restricted externally for other purposes	442,573	255,516
Internally restricted, Bridges to the Future	32,243	80,560
Unrestricted	333,553	358,735
	2,361,116	2,031,290
	\$2,406,674	\$2,411,582

Commitments (note 5)

Approved on behalf of the Board of Governors

Garry Cook FCA
Chair, Board of Governors

Karen Munjak CA
Secretary Treasurer

Chartered Accountants' Education Foundation

Statement of Operations and Changes in Net Assets

for the year ended March 31

	2010	2009
Revenues		
Contributions		
ICAA (note 6) – member fees	\$453,069	\$435,477
For capital or endowments (note 5 & Schedule III)	53,650	206,845
For restricted funds (note 4 & Schedule II)	164,397	205,745
Other	143,333	101,057
Investment income		
Interest and dividends	58,837	96,019
Realized gain	318,838	3,361
Unrealized gain (loss) on investments	29,734	(383,685)
Other income	-	33,500
	1,221,858	698,319
Expenditures		
Grants for post-secondary institutions		
For operations	160,000	153,145
For capital or endowments (note 5 & Schedule III)	139,395	292,720
Forgivable loans for PhD students	100,000	120,000
Teaching prizes	12,305	12,000
Student awards and support	64,965	67,258
Bridges program expenditures	203,708	-
Other program expenditures	1,040	15,500
Operating expenses (Schedule I)	210,619	262,399
	892,032	923,022
Excess (deficiency) of revenues over expenditures	329,826	(224,703)
Net assets, beginning of the year	2,031,290	2,255,993
Net assets, end of year	\$2,361,116	\$2,031,290

Chartered Accountants' Education Foundation

Statement of Cash Flows

for the year ended March 31

	2010	2009
Operating Activities		
General Fund		
Contributions received	\$ 474,719	\$ 898,961
Investment income received	12,809	25,426
	487,528	924,387
Expenditures and grants paid	(1,019,764)	(772,790)
	(532,236)	151,597
Flow Through Fund		
Contributions received	42,704	206,845
Expenditures and grants paid	(42,704)	(206,845)
	-	-
Restricted Fund		
Contributions received	130,855	285,055
Investment income received	40,687	70,593
	171,542	355,648
Expenditures and grants paid	(28,173)	(72,150)
	143,369	283,498
Cash from (used for) operations	(388,867)	435,095
Investing Activities		
Purchase of investments	(4,732,826)	(515,854)
Sale of investments	5,197,769	276,990
Cash from (used for) investing	464,943	(238,864)
Increase in cash	76,076	196,231
Cash, beginning	284,927	88,696
Cash, ending	\$ 361,003	\$ 284,927

Notes to Financial Statements as at March 31

1. Nature of the Organization

The Chartered Accountants' Education Foundation, operating as the Chartered Accountants Education Foundation of Alberta (CAEF), was established in 1982 by the Institute of Chartered Accountants of Alberta (ICAA) under the Societies Act of Alberta. CAEF is overseen by a Board of Governors and its mission is to support business education and promote the excellence of the CA profession.

CAEF is a public foundation registered under the Income Tax Act (Canada) and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

2. Foundation Funds

General Fund

The General fund is the main operating fund for CAEF programs. It receives unrestricted contributions which are used to support CAEF objectives, programs and administrative costs.

Internally Restricted Fund

The funds raised in connection with the 25th Anniversary have been designated as internally restricted as the Bridges to the Future fund. The expenditures will be made according to the mandate described in the Bridges to the Future project charter.

Flow Through Fund

The Flow Through Fund receives contributions from donors which are designated for specific programs and which are disbursed to those specific programs within a short period of time, in most cases within the same fiscal year.

Restricted Funds

Restricted funds are established as requested by donors. There are two types:

- Restricted externally for endowment purposes – named funds held in perpetuity and directed in accordance with terms established by the donors or sponsors
- Restricted externally for other purposes – named funds held for several years and directed in accordance with terms established by the donors or sponsors

3. Significant Accounting Policies

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

a) Investments

Investments are designated as held for trading and are recorded at fair value. Investment income includes interest and dividend income and realized and unrealized gains and losses. Realized gains are calculated as the difference between the proceeds and the market value at the later of either: the date the security was purchased or the last reported market value. As a result, the income from investments, whether realized or unrealized, reflects only the changes in value in the current period.

b) Donated services

The work of CAEF is dependent on the services of many volunteers. The value of donated services is not recognized in these statements.

Notes to Financial Statements as at March 31

c) Revenue recognition

CAEF follows the restricted fund method of accounting for contributions as follows:

- (i) 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.
- (ii) Endowment contributions are contributions to be maintained in perpetuity as prescribed by the donors and 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.
- (iii) Flow through contributions are recognized as revenue in the Flow Through Fund. The Flow Through Fund often receives multi-year pledges which are recognized as revenue in the year the payment is received or the current installment receivable has been invoiced and acknowledged by the donor thus providing collection is reasonably assured.
- (iv) Unrestricted and internally restricted 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.

d) Grants Payable

For those projects that are significantly dependent on the contributions and support of other organizations and individuals, the grants are recorded as the applicable amounts are received from the other organizations and individuals. That is the case for the commitments to the University of Lethbridge capital campaign and the matching program for the University of Alberta and the University of Saskatchewan. Foundation grants are otherwise recorded at the date approved by the Board of Governors of CAEF.

e) Forgivable loans for PhD Studies

Forgivable loans are provided to qualified candidates while studying for a PhD in accounting. The loans are forgivable if the candidate earns the PhD and teaches at one of the prescribed universities for a duration of one year for each year the grant was received. The loans are recorded as an expense at the date approved by the Board and any recoveries due to conditions not being met are recorded as receivable providing collection is reasonably assured.

f) Use of Estimates

The preparation of 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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements as at March 31

4. Restricted Net Assets – Schedule II

CAEF manages restricted funds as directed by the donors or in accordance with criteria approved by the Board of Governors. These funds provide student awards and other educational support and recognition. The following restricted funds have been pooled with other CAEF funds and net investment income is allocated proportionate to net assets:

Fund	Schedule II	Year Established
Restricted externally for endowment purposes		
Elvin Christenson	Christenson	1994
Francis Winspear	Winspear	1994
Robert Waller	Waller	1995
Harold Milavsky	Milavsky	1996
James Miller	Miller	1996
Richard Haskayne	Haskayne	1997
David Sharpe	Sharpe	1997
Dale Parry	Parry	1999
Don Easton	Easton	2001
Kouri Berezan Heinrichs	KBH	2002
Gordon Rasmussen	Rasmussen	2002
Schaefer Mount Royal	Schaefer Mt. Royal	2002
Peter Valentine	Valentine	2002
Angela Nicoli-Griffiths	Nicoli-Griffiths	2003
Douglas Hagerman	Hagerman	2003
Eric Connelly	Connelly	2004
Rick Cormier	Cormier	2004
Steve Glover	Glover	2005
Larry Swonek	Swonek	2005
John Tupper	Tupper	2006
Restricted externally for other purposes		
Robert Card	Card	1989
Jim MacIntyre	MacIntyre	1992
Clem Collins	Collins	2001
Michael Lissey	Lissey	2003
Alton Bruce Ross	Ross	2004
David McClement	McClement	2006
Jack Baker	Baker	2006
Ken and Jennifer Kouri	Kouri	2008
Morgan Award	Morgan	2008
Harry Schaefer	Schaefer	2009
Don Wilson	Wilson	2010

Notes to Financial Statements as at March 31

5. Grants for Post-Secondary Institutions for Capital and Endowment Programs

For the following programs, the portion of the grants financed by contributions from external sources are recorded as expenditures of the Flow Through Fund and the portion of grants financed by the CAEF are recorded as expenditures in the General Fund.

a) University of Calgary – Richard F. Haskayne OC FCA Chair in Accounting

CAEF and various donors paid in excess of \$2.2 million to the chair endowment, which with partial external matching will total approximately \$3.3 million. Payments were completed in 2005.

b) University of Calgary – Ethics Chair

CAEF approved \$50,000 for an Ethics Chair at the University of Calgary, Faculty of Humanities. Payments were completed in 2005.

c) University of Alberta – CA Fund for Faculty Development

Pledges and payments for the CA Fund for Faculty Development totaling approximately \$900,000 commenced in 2005 and certain of these are matched by the CAEF.

d) University of Lethbridge – Markin Hall

CAEF, on a prescribed matching basis, and various donors committed \$500,000 towards a capital campaign for the University of Lethbridge. Payments commenced in 2004, extended over five years, and are substantially complete. In addition, the CAEF has committed a further \$125,000 on a similar prescribed matching basis toward completion of the same project; payments that commenced in 2008 will be over 5 years.

e) University of Saskatchewan – Fund for Competency Development

Pledges and payments for the Fund for Competency Development commenced in 2005 and certain of these are matched by the CAEF. Payments extended over five years and are now complete.

6. Institute of Chartered Accountants of Alberta

The Board of Governors of CAEF are appointed by a Nominating Committee to which the ICAA Council appoints two members.

The ICAA Council establishes the level of contributions to CAEF by way of a component of the annual fees assessed to ICAA members. For 2010, ICAA paid \$60 (2009 – \$60) for every resident member, for a total of \$453,069 (2009 – \$435,477) as unrestricted contributions.

CAEF paid \$134,811 (2009 – \$161,317) to ICAA for operating costs incurred on behalf of CAEF which includes \$91,042 (2009 – \$75,146) in staff services.

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due to ICAA at March 31, 2010 total \$12,820 (2009 - \$8,272). The Foundation has not received any advance in respect of member fees relating to the 2010 year (2009 - \$325,000).

Notes to Financial Statements as at March 31

7. Financial Instruments and Risk Management

Financial instruments

For cash, accounts receivable and other assets and accounts payable and accrued liabilities, the carrying amounts of these financial instruments approximate their fair value due to their short-term maturity. Investments are carried at fair values as determined directly by reference to published price quotations in an active market.

Credit risk

The CAEF does not have a concentration of credit exposure with any one party. The CAEF does not consider that it is exposed to undue credit risk.

Price risk

The investments of the CAEF are subject to price risk because changing economic conditions and interest rates impact the market value of the investments. The CAEF manages its credit, liquidity, price and cash flow risk by restricting investments in accordance with its Investment Policy to widely held publicly quoted securities that are professionally managed by a qualified investment counselor.

Liquidity risk

The investments are subject to limited liquidity risk if the CAEF is required to sell at a time that the market for the investments is unfavourable.

8. Investments

At March 31, the fair value of the CAEF's investment portfolio consists of:

	2010		2009	
Fixed income securities	\$1,255,294	63%	\$1,366,113	64%
Equities:				
Canadian	520,450	26	332,192	16
US	205,561	10	260,552	12
International	27,922	1	161,555	8
	<u>\$2,009,227</u>	<u>100%</u>	<u>\$2,120,412</u>	<u>100%</u>
Cost	<u>\$1,937,362</u>		<u>\$2,193,122</u>	

The investments consist of government and corporate fixed income securities, Canadian equities in a diverse range of industries, and international investments using pooled funds. The investment policy set by the Board of Governors has as its main objective the preservation of capital. Interest and investment income is recognized when earned.

Notes to Financial Statements as at March 31

9. Capital Disclosures

The CAEF defines capital as net assets. The CAEF is subject to externally imposed requirements on capital as described in Note 2.

The CAEF's objectives when managing capital are to safeguard the Foundation's ability to continue as a going concern in order to pursue its mission to support business education and promote the excellence of the CA profession. The CAEF Board of Governors oversees the investment policy which seeks to minimize exposure to capital market risk while earning a prudent return. The investment portfolio is professionally managed in accordance with the terms defined by the investment policy. The organization has met its capital objectives for the year ended March 31, 2010.

10. Comparative Figures

Certain comparative figures have been reclassified to provide a presentation consistent with the current year.

Schedule I: Operating Expenses as at March 31

	2010	2009
Staff services – ICAA	\$ 91,042	\$ 75,146
CA outreach	6,000	26,000
Investment management fees	25,435	16,998
Administration expenses	61,851	75,522
Office and professional fees	26,291	21,825
25 th Anniversary Gala costs	-	46,908
	<hr/>	<hr/>
	\$210,619	\$262,399
	<hr/>	<hr/>

Schedule II: Restricted Net Assets as at March 31

	Net Assets Beginning	Contributions	Investment Income (Loss)*	Expenditures	Excess (deficiency) of Revenue Over Expenditure	Net Assets Ending
Restricted externally for endowment purposes (Note 4)						
Christenson	\$ 65,389	\$ -	\$ 11,948	\$ 2,500	\$ 9,448	\$ 74,837
Connelly	50,475	-	9,333	2,000	7,333	57,808
Cormier	61,813	-	11,647	1,000	10,647	72,460
Easton	60,723	325	11,513	1,343	10,495	71,218
Glover	224,359	-	42,626	-	42,626	266,985
Nicoli-Griffiths	25,166	-	4,591	1,000	3,591	28,757
Hagerman	25,834	-	4,908	-	4,908	30,742
Haskayne	106,917	-	20,006	3,000	17,006	123,923
KBH	32,076	5,000	6,699	2,500	9,199	41,275
Milavsky	55,579	-	10,316	2,500	7,816	63,395
Miller	59,158	-	10,842	2,500	8,342	67,500
Parry	19,085	-	3,598	1,000	2,598	21,683
Rasmussen	21,602	-	4,085	1,000	3,085	24,687
Schaefer Mt. Royal	77,614	100	14,693	3,500	11,293	88,907
Sharpe	47,420	-	8,439	3,000	5,439	52,859
Swonek	53,591	3,000	9,925	2,000	10,925	64,516
Tupper	26,802	-	5,064	1,000	4,064	30,866
Valentine	63,448	900	12,073	-	12,973	76,421
Waller	90,298	-	16,675	3,750	12,925	103,223
Winspear	169,129	-	31,928	10,372	21,556	190,685
	\$1,336,479	\$9,325	\$250,909	\$43,965	\$216,269	\$1,552,747
Restricted externally for other purposes						
Baker	\$ 4,027	\$ -	\$ 765	\$ -	\$ 765	\$ 4,792
Card	12,398	-	2,336	1,500	836	13,234
Collins	2,741	7,584	1,338	-	8,922	11,663
Lissey	29,940	2,125	5,677	2,000	5,802	35,742
MacIntyre	1,229	252	19	1,500	(1,229)	-
McClement	13,684	-	2,600	-	2,600	16,284
Ross	7,469	-	1,291	1,000	291	7,760
Kouri	14,279	-	2,640	750	1,890	16,169
Morgan	124,311	128,371	24,175	10,000	142,546	266,857
Schaefer	45,438	-	8,607	1,000	7,607	53,045
Wilson	-	16,740	287	-	17,027	17,027
	255,516	155,072	49,735	17,750	187,057	442,573
2010 Total	\$1,591,995	\$164,397	\$ 300,644	\$61,715	\$403,326	\$1,995,320
2009 Total	\$1,674,769	\$205,745	\$(216,370)	\$72,150	\$(82,775)	\$1,591,995

* Net of fair value adjustment

Schedule III: Operations & Changes in Net Assets

	General		Flow Through		Restricted (Schedule II)		Total	Total
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues								
Contributions								
ICAA (note 6) –								
Members fees	\$453,069	\$435,477					\$453,069	\$435,477
For post-secondary capital or endowments (note 5)								
University of Alberta			47,350	182,100			47,350	182,100
University of Calgary				20			-	20
University of Lethbridge			3,000	20,600			3,000	20,600
University of Saskatchewan			3,300	4,125			3,300	4,125
For endowments or restricted					164,397	205,745	164,397	205,745
Other donations	143,333	101,057					143,333	101,057
Other income		33,500						33,500
Investment income (loss)	106,765	(67,935)			300,644	(216,370)	407,409	(284,305)
	703,167	502,099	53,650	206,845	465,041	(10,625)	1,221,858	698,319
Expenditures								
Grants for post-secondary institutions								
For operations								
University of Alberta	50,000	50,000					50,000	50,000
University of Calgary	50,000	50,000					50,000	50,000
University of Lethbridge	35,000	37,500					35,000	37,500
University of Saskatchewan	25,000	15,645					25,000	15,645
For capital or endowments (note 5)								
University of Alberta	850	1,600	47,350	182,100			48,200	183,700
University of Calgary	20			20			20	20
University of Lethbridge	82,075	81,150	3,000	20,600			85,075	101,750
University of Saskatchewan	2,800	3,125	3,300	4,125			6,100	7,250
Grants for PhD students	100,000	120,000					100,000	120,000
Teaching prizes	12,305	12,000					12,305	12,000
Student awards and support	3,250	4,108			61,715	63,150	64,965	67,258
Bridges program expenditures	204,748							
Other program expenditures		6,500				9,000	204,748	15,500
Operating expenses (Schedule I)	210,619	262,399					210,619	262,399
	776,667	644,027	53,650	206,845	61,715	72,150	892,032	923,022
Excess (deficiency) of revenues over expenditures								
Net assets, beginning of year	(73,500)	(141,928)			403,326	(82,775)	329,826	(224,703)
	\$439,295	\$581,224			\$1,591,995	\$1,674,769	2,031,290	2,255,993
Net assets, end of year	\$365,796	\$439,295			\$1,995,320	\$1,591,995	\$2,361,116	\$2,031,290

580 Manulife Place
10180 – 101 Street
Edmonton AB T5J 4R2
T: (780) 424-7391 • T: 1-800-232-9406
F: (780) 425-8766
info@icaa.ab.ca • www.albertacas.ca

