



Chartered Accountants'
Education Foundation
Annual Report 2011

Contents

Message from the Chair and Executive Director	3
Management's Discussion & Analysis.....	4
Auditors' Report	8
Management's Responsibility for Financial Reporting	9
Statement of Financial Position.....	10
Statement of Operations and Changes in Net Assets	11
Statement of Cash Flows.....	12
Notes to Financial Statements	13
Schedules.....	19

Message from the Chair and Executive Director

Executive Message

Seeing distinguished leaders of the CA profession from across Canada two-stepping in full Western dress to the music of a CA-led country band was certainly an unforgettable highlight for all of us at the Chartered Accountants' Education Foundation ("CAEF") in 2010/11.

That opportunity occurred at the ICAA Centennial Spur-tacular, a social event held in Calgary in September in support of the CAEF and its newly-minted fund development campaign, "Paying it Forward." A gala evening with a decidedly western flavor, the Spur-tacular was attended by, among others, the senior leadership of the profession from coast to coast, who were in Calgary for the annual general meeting of the Canadian Institute of Chartered Accountants.

As fun an evening as the Spur-tacular was, it was also a seriously successful night for the CAEF. Thousands of dollars were raised to kickstart the Paying it Forward campaign, including a generous gift from Board of Governors member Alex Tutschek CA.

The Paying it Forward initiative, which is a two-year campaign scheduled to wrap up in September 2012, was developed by the CAEF to raise funds to develop and implement a financial literacy program for young Albertans. Identified across Canada as a priority for young people (and their parents), financial literacy has taken on a heightened presence in Alberta in recent years. The CAEF Board of Governors is committed to serving Albertans through the development of personal money management tools and information for junior high and high school students, and strongly believes that Alberta CAs will demonstrate a similar commitment to the program and its goals.

While the Paying it Forward campaign was front and centre for the CAEF in 2010/11, there were also many other activities and achievements during the year. The Foundation was, for the first time, able to offer operating funds to not only the four universities it has traditionally supported, but also to three additional post-secondary institutions that recently began offering bachelor degrees. New scholarship and bursary programs were also introduced in 2010/11.

As well, the CAEF sponsored its first-ever conferences for academics in December 2010. These conferences were designed to bring accounting educators and CAs together to discuss topics of mutual interest.

None of the CAEF's achievements in 2010/11 would have been possible without the amazing support shown by Alberta CAs, who gave generously and enthusiastically to the Foundation throughout the year. On behalf of the Board of Governors, we extend our deepest thanks to everyone who expressed their belief in the Foundation and its goals in 2010/11 through their donations, their time, and their ideas.

Respectfully submitted,

Garry Cook FCA
Chair, Board of Governors

Jane Halford CA
Executive Director

Management's Discussion & Analysis June 2, 2011

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. Fiscal 2010/11 was the second year of implementation of the 14 strategic initiatives in the 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 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 achievement of the 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 June 2, 2011

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 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, 2011, the Foundation had cash and investments totaling approximately \$2,610,000 (2010 - \$2,370,000). 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 Foundation realized a significant gain due to liquidating the investments for the purpose of changing investment advisors during the 2010 fiscal year.

Net assets

Net assets at March 31, 2011 totaled \$2,566,000 (2010 - \$2,361,000), comprising: \$2,071,000 (2010 - \$1,995,000) externally restricted by the contributors, \$102,000 (2010 - \$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 Pay it Forward and Bridges to the Future campaigns, and \$393,000 (2010 - \$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 2010/11, the second full year of activity under the three-year strategic plan, the Foundation focused on four of the identified strategies, as prioritized in the 2010/11 CAEF business plan. The significant achievements of the past year for these four strategies are identified below, organized by strategy.

Management's Discussion & Analysis June 2, 2011

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

- During the past year, the ICAA continued to work closely with the University of Lethbridge to implement the CA Bridging Program. (The post-secondary institution was selected earlier 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 launched in May 2010 in Edmonton and has begun in Calgary in May 2011.

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

- Fundraising for the Bridges to the Future campaign wrapped up at the end of the previous fiscal year. In early 2010/11, the Board of Governors approved a new fundraising campaign and goal. Titled "Paying it Forward," the new campaign aims to raise \$250,000 over two years to support a financial literacy program. The campaign, which formally runs from September 2010 to September 2012, was kicked-off with a gala fundraising event in Calgary. This event, the ICAA Centennial Spur-tacular, was hosted by the ICAA in conjunction with centennial activities, with funds raised going to the Paying it Forward campaign.
- Steve Allan FCA accepted the role of Honourary Campaign Chair of the Paying it Forward campaign. Mr. Allan has worked with the Board of Governors and the CAEF management team to promote the campaign and raise funds.

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

- For the first time, the Foundation accepted funding proposals from new post-secondary institutions for the 2010/11 academic year. As a result, the CAEF provided operating grants to: Concordia University College, Mount Royal University, and NAIT. These grants were in addition to the grants provided to the traditionally-funded institutions, which are: the University of Alberta, the University of Calgary, the University of Lethbridge, and the University of Saskatchewan.
- The CAEF strategized on how it can offer funding to an even wider array of post-secondary institutions in the coming years, as more and more institutions begin to offer CASB-recognized bachelor degrees.

Management's Discussion & Analysis June 2, 2011

Strategy: Evaluate the effectiveness of scholarships, particularly as they relate to giving in proportion to need.

- In 2010/11, the CAEF continued to evaluate its scholarship programs. The Don Wilson CA Memorial Scholarship was established in memory of late Board of Governors member Don Wilson. In addition, criteria were finalized for two donor-funded bursary programs for CA bridging students: the Mike Shaikh FCA and Linda Shaikh Bursary, and the Flair Foundation Bursary.

Other notable activities in 2010/11

- The CAEF published its second annual *Report to the Community*. The publication, which profiled CAEF activities and beneficiaries, was distributed to government, the business community, the post-secondary sector, major donors, and other external audiences.
- The CAEF hosted its first-ever academic conferences. Held in Calgary and Edmonton in December, the conferences provided a venue for accounting educators to hear directly from leaders of the CA profession about developments and trends in the profession that could affect accounting education.
- The CAEF introduced an online donation program.

Outlook for 2011/12

In 2011/12, the Foundation will focus on finalizing accomplishment of the goals outlined in the three-year strategic plan. At the same time, it will develop a new three-year strategic plan for the years 2012/13 to 2014/15. In the fall of 2011, the Board of Governors will convene for a strategic planning session, out of which the key priorities and directions of a new strategic plan will emerge.

A key priority for the CAEF in 2011/12 will be to achieve substantive progress with the Paying it Forward campaign. Among other fund development initiatives in 2011/12 will be the "Playing it Forward" CAEF golf tournament, to be held in Calgary in September 2011. Proceeds from this tournament will go toward the Paying it Forward campaign.

Concurrently, the CAEF will work with the ICAA and external partners to finalize and launch a financial literacy program, funded by the proceeds from the Paying it Forward campaign. The program is being designed to provide junior high and high school students with tools and information to help them develop good personal money management skills.

Throughout 2011/12, 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 recognizing and celebrating donors to the Paying it Forward campaign.

In the spirit of supporting business education in Alberta, the Foundation will accept 2011/12 funding applications from an expanded number of Alberta post-secondary institutions.

Management's Discussion & Analysis June 2, 2011

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 2011. This semi-annual e-newsletter will provide donors and stakeholders with relevant information about the Foundation.

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 Investment Committee several times per year and to the Board annually.

Human resources

The Foundation relies on the services of volunteers and ICAA 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:

We have audited the accompanying financial statements of the Chartered Accountants' Education Foundation, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Chartered Accountants' Education Foundation as at March 31, 2011, and its operating results and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kouri Berezan Heinrichs
Chartered Accountants

June 2, 2011
Edmonton, Canada

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Chartered Accountants' Education Foundation (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.

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 the CAEF's assets are appropriately accounted for and adequately safeguarded.

The Board 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 composed of certain Board members, 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 Council 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, Finance and Administration, ICAA

June 2, 2011

Chartered Accountants' Education Foundation

Statement of Financial Position as at March 31

	2011	2010
Assets		
Cash	\$476,142	\$361,003
Accounts receivable and other assets	5,361	36,444
Investments (note 7)	2,132,876	2,009,227
	\$2,614,379	\$2,406,674
Liabilities		
Accounts payable and accrued liabilities	\$28,511	\$34,966
Grants payable	19,762	10,592
	48,273	45,558
Net Assets (note 9 and Schedule I and II)		
Restricted externally for endowment purposes	1,610,170	1,552,747
Restricted externally for other purposes	461,258	442,573
Internally restricted, Pay It Forward	67,781	-
Internally restricted, Bridges to the Future	34,051	32,243
Unrestricted	392,846	333,553
	2,566,106	2,361,116
	\$2,614,379	\$2,406,674

Commitments (note 4)

Approved on behalf of the Board of Governors

Garry Cook FCA
Chair

Karen Munjak CA
Secretary Treasurer

Chartered Accountants' Education Foundation

Statement of Operations and Changes in Net Assets

for the year ended March 31

	2011	2010
Revenues		
Contributions		
ICAA (note 5) – member fees	\$468,900	\$453,069
For capital or endowments (note 4 & Schedule II)	7,500	53,650
For restricted funds (note 9 & Schedule I)	32,752	164,397
Program donations	81,346	143,333
Investment income		
Interest and dividends	91,081	58,837
Realized gain	6,505	318,838
Unrealized gain on investments	49,105	29,734
Event fundraising	56,828	-
	794,017	1,221,858
Expenditures		
Grants for post-secondary institutions		
For operations	155,000	160,000
For capital or endowments (note 4 & Schedule II)	35,850	139,395
Forgivable loans for PhD students	100,000	100,000
Teaching prizes	18,000	12,305
Student awards and support	78,483	64,965
Other program expenditures	53,783	204,748
Operating expenses (Schedule III)	147,911	210,619
	589,027	892,032
Excess of revenues over expenditures	204,990	329,826
Net assets, beginning of the year	2,361,116	2,031,290
Net assets, end of year	\$2,566,106	\$2,361,116

Chartered Accountants' Education Foundation

Statement of Cash Flows

for the year ended March 31

	2011	2010
Operating Activities		
General Fund		
Contributions received	\$ 550,246	\$ 474,719
Fundraising activities	56,828	-
Investment income received	13,864	12,809
	<u>620,938</u>	<u>487,528</u>
Expenditures and grants paid	(478,159)	(1,019,764)
	<u>142,779</u>	<u>(532,236)</u>
Flow Through Fund		
Contributions received	7,500	42,704
Expenditures and grants paid	(7,500)	(42,704)
	-	-
Restricted Fund		
Contributions received	32,752	130,855
Investment income received	51,206	40,687
	<u>83,958</u>	<u>171,542</u>
Expenditures and grants paid	(69,683)	(28,173)
	<u>14,275</u>	<u>143,369</u>
Cash from (used for) operations	<u>157,054</u>	<u>(388,867)</u>
Investing Activities		
Purchase of investments	(871,147)	(4,732,826)
Sale of investments	829,232	5,197,769
Cash (used for) from investing	<u>(41,915)</u>	<u>464,943</u>
Increase in cash	115,139	76,076
Cash, beginning	361,003	284,927
Cash, ending	\$ 476,142	\$ 361,003

Notes to Financial Statements as at March 31

1. Nature of the Organization

The Chartered Accountants' Education Foundation of Alberta (CAEF) was established in 1982 by the Institute of Chartered Accountants of Alberta (ICAA) and is incorporated 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

Management has internally restricted funds raised in connection with two important initiatives to be spent according to each respective project charter.

- Bridges to the Future - The funds raised in connection with the 25th Anniversary have been designated as the Bridges to the Future fund. The expenditures have been made according to the mandate described in the Bridges to the Future project charter. The CA Bridging program has been fully launched, in partnership with the University of Lethbridge, in Edmonton (May 2010) and Calgary (May 2011). The program helps qualified career changers and new Canadians attain the post-secondary prerequisites needed for admission into the CA School of Business.
- Paying it Forward - In September 2010 the Foundation launched a new fund development campaign called Paying it Forward. The goal of this 2 year campaign is to raise funds for projects that will provide financial literacy and personal money management tools and resources for young Albertans.

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

Notes to Financial Statements as at March 31

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 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.

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) 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.
- (iii) 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 University of Alberta and University of Saskatchewan. Foundation grants are otherwise recorded at the date approved by the Board of Governors of CAEF.

e) Grants for PhD Studies

Forgivable grants are provided to qualified candidates while studying for a PhD in accounting. The grants 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 grants 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.

Notes to Financial Statements as at March 31

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.

g) Future Accounting Changes

On December 1, 2010, the Canadian Institute of Chartered Accountants (the "CICA") released the new accounting framework applicable to Canadian not-for-profit organizations, which is effective for fiscal years beginning January 1, 2012. Not-for-profit organizations will have to choose between International Financial Report Standards (IFRSs) and Canadian Accounting Standards for not-for-profit organizations (NFPOs), whichever suits them best. Early adoption of these standards are permitted. Adoption is on a retroactive basis. The ICAA currently plans to adopt the new accounting standards for NFPOs for its fiscal year beginning on April 1, 2012. Although the impact of this transition has not yet been fully determined it is anticipated that it will not be significant.

4. 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. Most payments extended over five years and are substantially complete.

d) University of Lethbridge – Management Building

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.

Notes to Financial Statements as at March 31

5. Institute of Chartered Accountants of Alberta

The ICAA Council appoints 2 of its members to serve on the CAEF nominating committee which appoints the Board of Governors of CAEF.

The Council also establishes the level of contributions to CAEF by way of a component of the annual fees assessed to ICAA members. For 2011, ICAA paid \$60 (2010 – \$60) for every resident member, for a total of \$468,900 (2010 – \$453,069) as unrestricted contributions. In addition, certain ICAA staff devote time to Foundation affairs for which no charges were rendered.

CAEF paid \$92,956 (2010 – \$134,811) to ICAA for operating costs incurred on behalf of CAEF.

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, 2011 total \$5,361 (2010 - \$12,820).

6. Financial Instruments and Risk Management

Financial instruments

For cash, accounts receivable and other assets, accounts payable and accrued liabilities and grants payable, 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.

Market risk

The investments of the CAEF are subject to market 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.

Notes to Financial Statements as at March 31

7. Investments

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

	2011		2010	
Fixed income securities	\$1,497,072	70%	\$1,255,294	63%
Equities:				
Canadian	493,994	23	520,450	26
US	123,766	6	205,561	10
International	18,044	1	27,922	1
	<hr/>		<hr/>	
	\$2,132,876	100%	\$2,009,227	100%
	<hr/>		<hr/>	
Cost	\$2,069,779		\$1,937,362	

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.

8. 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.

Notes to Financial Statements as at March 31

9. Restricted Net Assets – Schedule I

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

Fund	Schedule I	Year Established
Restricted externally for endowment purposes		
Elvin Christenson Bursary Fund	Christenson	1994
Francis G. Winspear Fund	Winspear	1994
Robert Waller FCA Bursary in Accounting	Waller	1995
Harold Milavsky Graduating Award in Accounting	Milavsky	1996
James C. Miller Bursary in Accounting	Miller	1996
Dr. Richard Haskayne FCA Graduating Award for Finance	Haskayne	1997
David Sharpe Award	Sharpe	1997
Dale Parry Memorial Fund	Parry	1999
Easton Fund	Easton	2001
Kouri Berezan Heinrichs Fund	KBH	2002
Gordon V. Rasmussen Memorial Fund	Rasmussen	2002
Schaefer Mount Royal Fund	Schaefer MT. Royal	2002
Peter Valentine FCA Essay Fund	Valentine	2002
Angela Nicoli-Griffiths Scholarship Fund	Nicoli-Griffiths	2003
Douglas R. Hagerman FCA Memorial Fund	Hagerman	2003
Eric Connelly FCA Award Fund	Connelly	2004
Rick Cormier Memorial Award	Cormier	2004
Steve J. Glover FCA Fund for Thought Leadership	Glover	2005
Larry Swonek CA Bursary Fund	Swonek	2005
John Alvin Tupper Fund	Tupper	2006
Restricted externally for other purposes		
Robert Card Fund	Card	1989
Clem Collins FCA Student Assistance Fund	Collins	2001
Veres Picton & Co. Michael Lissey CA Memorial Award Fund	Lissey	2003
Alton Bruce Ross Memorial Bursary	Ross	2004
McClement Fund	McClement	2006
Jack Baker FCA Fund	Baker	2006
Ken Kouri FCA and Jennifer Kouri Fund	Kouri	2008
Morgan Award in Accounting	Morgan	2008
Harry G. Schaefer FCA Fund	Schaefer	2009
Don Wilson Memorial Education Fund	Wilson	2010

Schedule I: 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 9)						
Christenson	\$ 74,837	\$ -	\$ 4,127	\$ 2,500	\$ 1,627	\$ 76,465
Connelly	57,808	-	3,153	2,000	1,153	58,961
Cormier	72,460	-	4,077	1,000	3,077	75,537
Easton	71,218	1,024	3,989	2,500	2,513	73,731
Glover	266,985	-	15,232	-	15,232	282,217
Nicoli-Griffiths	28,757	-	1,583	1,000	583	29,340
Hagerman	30,742	-	1,754	-	1,754	32,496
Haskayne	123,923	-	6,932	2,000	4,932	128,855
KBH	41,275	5,000	2,726	2,500	5,226	46,501
Milavsky	63,395	-	3,435	2,500	935	64,330
Miller	67,500	-	3,811	2,500	1,311	68,811
Parry	21,683	-	1,183	1,000	183	21,866
Rasmussen	24,687	-	1,393	1,000	393	25,080
Schaefer Mt. Royal	88,907	-	5,019	3,500	1,519	90,426
Sharpe	52,859	-	2,844	3,000	(156)	52,703
Swonek	64,516	1,600	3,623	2,000	3,223	67,739
Tupper	30,866	-	1,718	1,000	718	31,584
Valentine	76,421	-	4,359	-	4,359	80,780
Waller	103,223	5,000	5,778	3,750	7,028	110,251
Winspear	190,685	-	10,746	8,933	1,813	192,498
	\$1,552,747	\$12,624	\$87,482	\$42,683	\$57,423	\$1,610,170
Restricted externally for other purposes						
Baker	\$ 4,792	\$ -	\$ 274	\$ -	\$ 274	\$ 5,066
Card	13,234	-	755	-	755	13,990
Collins	11,663	6,168	1,016	-	7,183	18,846
Lissey	35,742	-	2,008	2,000	8	35,750
McClement	16,284	-	929	-	929	17,213
Ross	7,760	-	377	1,000	(629)	7,131
Kouri	16,169	-	819	1,500	(681)	15,488
Morgan	266,857	-	14,404	20,000	(5,596)	261,261
Schaefer	53,045	-	2,884	2,500	384	53,429
Wilson	17,027	13,960	2,096	-	16,056	33,083
	442,573	20,128	25,556	27,000	18,684	461,258
2011 Total	\$1,995,320	\$32,752	\$113,039	\$69,683	\$76,108	\$2,071,428
2010 Total	\$1,591,995	\$164,397	\$300,643	\$61,715	\$403,326	\$1,995,320

*Net of fair value adjustment

Schedule II: Operations & Changes in Net Assets

	General		Flow Through		Restricted (Schedule I)		Total	Total
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues								
Contributions								
ICAA (note 5) –								
Members fees	\$468,900	\$453,069					\$468,900	\$453,069
For post-secondary capital or endowments (note 4)								
University of Alberta			7,500	47,350			7,500	47,350
University of Lethbridge				3,000				3,000
University of Saskatchewan				3,300				3,300
For endowments or restricted					32,752	164,397	32,752	164,397
Program donations	81,346	143,333					81,346	143,333
Event fundraising	56,828						56,828	-
Investment income	33,658	106,765			113,033	300,644	146,691	407,409
	640,732	703,167	7,500	53,650	145,785	465,041	794,017	1,221,858
Expenditures								
Grants for post-secondary institutions								
For operations								
Concordia University								
College of Alberta	5,000						5,000	
NAIT	5,000						5,000	
Mount Royal University	7,500						7,500	
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	30,000	35,000					30,000	35,000
University of Saskatchewan	7,500	25,000					7,500	25,000
For capital or endowments (note 4)								
University of Alberta		850	7,500	47,350			7,500	48,200
University of Calgary		20						20
University of Lethbridge	28,350	82,075		3,000			28,350	85,075
University of Saskatchewan		2,800		3,300			-	6,100
Grants for PhD students	100,000	100,000					100,000	100,000
Teaching prizes	18,000	12,305					18,000	12,305
Student awards & support	8,800	3,250			69,683	61,715	78,483	64,965
Program expenditures	53,783	204,748					53,783	204,748
Operating expenses (Sch III)	147,911	210,619					147,911	210,619
	511,844	776,667	7,500	53,650	69,683	61,715	589,027	892,032
Excess/(deficiency) of Revenues over expenditures								
	128,888	(73,500)			76,102	403,326	204,990	329,826
Net assets, beginning of year	\$365,796	\$439,296			\$1,995,320	\$1,591,995	\$2,361,116	\$2,031,290
Net assets, end of year	\$494,684	\$365,796			\$2,071,422	\$1,995,320	\$2,566,106	\$2,361,116

Schedule III: Operating Expenses as at March 31

	2011	2010
Staff services – ICAA	59,748	\$ 91,042
CA outreach	157	6,000
Investment management fees	24,020	25,435
Administration Expenses	45,819	61,851
Office and professional fees	18,167	26,291
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	\$147,911	\$210,619
