



Chartered Accountants
Education Foundation
Annual Report 2012

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Message from the Chair and Executive Director

Executive Message

For the Chartered Accountants Education Foundation of Alberta, 2011/12 was a year of continued growth and excellence. The Foundation's year was characterized by focused fundraising initiatives, connecting with supporters, and recognizing the invaluable donors who, through their dedication and generosity, enable the Foundation to continue operating annual programs and initiating special projects that support business and accounting education in the province.

In September 2010, the Foundation announced that it would seek to raise \$250,000 over two years to support projects aimed at enhancing the financial literacy education of Alberta youth and creating a new money-smart generation. This fundraising effort – called “Paying it Forward” – continued throughout 2011/12 in dynamic campaigns that sought to engage all Alberta CAs. When completed, this campaign will provide the funding for an exciting program that will help students better understand their relationship with money and how they can use information, tools and other resources to make empowering money management decisions.

The Foundation has discovered there is a real interest and even passion about the youth financial literacy. By connecting with government, the business sector, and various not-for-profit groups, the CAEF has identified a range of prospective partners and supporters for its financial literacy project. Such connections bode well for the success of this unique initiative by the Foundation.

Another priority this year was connecting with supporters to inform them about the Foundation's progress and achievements. The annual Report to the Community was distributed to donors and key external stakeholders. It featured profiles and articles that demonstrate the positive impact the Foundation is having on the business and accounting education landscape in Alberta. Donors and others were also encouraged to sign up for the new CAEF Effect e-newsletter that is circulated twice each year and includes information about how to engage with and support the Foundation.

Thanking donors and other supporters for their contributions was also a vital activity for the Foundation throughout 2011/12. Donor recognition events were held in Calgary and Edmonton, providing a forum for donors to learn about current activities and progress, connect with other supporters, and enjoy an evening of recognition and appreciation. A new recognition vehicle was also created through the CAEF Impact Award, which seeks to honour an individual for his/her contributions to the work and goals of the Foundation.

In addition to the above noted progress, the Foundation also continued its regular support programs, including student scholarships, awards and bursaries, teaching prize awards, funding for PhD candidates, funding for special projects that advance accounting education, and providing operating grants to post-secondary institutions.

As always, the Board of Governors and the CAEF management team wish to express their deepest thanks to Alberta's CAs and other friends of the Foundation for their profoundly generous support of the CAEF and its work. Together, we are making a difference in Alberta!

Respectfully submitted,

Bob Twerdun FCA
Chair, Board of Governors

Jane Halford FCA
Executive Director

Management's Discussion & Analysis May 31, 2012

The mission of the Chartered Accountants Education Foundation of Alberta (CAEF) during 2011/12 was to support business education and promote the excellence of the CA profession. Its vision was to be highly respected by Alberta CAs, post-secondary institutions, and donors for its demonstrable contributions to business education and the CA brand.

In 2011/12, the CAEF operated under the final year of its three-year strategic plan. Under this plan, various strategic initiatives were implemented that focused on: enhancing the quality of and accessibility to accounting education in Alberta; supporting undergraduate and PhD candidates; and raising awareness of the Alberta CA profession.

The Foundation focused on the following strategic goals this year:

- Support a prequalification program in partnership with the University of Lethbridge
- Commit to a fundraising goal and timeframe to achieve strategic initiatives
- Funding post-secondary institutions that were previously out of the Foundation's scope and have newly acquired degree-granting status
- Support PhD students throughout the duration of their studies (through to the completion of their program)
- Support the professional development of accounting academics

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 periodic 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.

Achieving goals

The strategic plan ended on March 31, 2012. The actions to accomplish the plan's initiatives were outlined and reported to the Board of Governors on a semi-annual basis to monitor progress and effectiveness.

Management's Discussion & Analysis May 31, 2012

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, 2012, the Foundation had cash and investments totaling approximately \$2,691,000 (2011 - \$2,609,000). Investments are presented at market value. The Foundation's investments are a diverse portfolio of fixed income and Canadian and US equities managed by a qualified investment counselor on which it earns interest, dividend and capital gains income.

Net assets

Net assets at March 31, 2012 totaled \$2,663,000 (2011 - \$2,566,000), comprising: \$2,051,000 (2011 - \$2,071,000) externally restricted by the contributors, \$133,000 (2011 - \$102,000) in net assets internally restricted as they resulted from donations and the net investment income earned on its retained donations relating to the Paying it Forward and Bridges to the Future campaigns, and \$479,000 (2011 - \$393,000) 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 2011/12, the third and final year of activity under the three-year (2009-12) strategic plan, the Foundation focused on several strategies, as prioritized in the CAEF 2011/12 business plan. Below are some of the highlights of the year, as the Foundation worked to achieve its strategic goals.

- During the past year, the CAEF and ICAA continued to work closely with University of Lethbridge's CA Bridging program to ensure the successful launch of the program in Calgary (the program launched in Edmonton in 2010). This year, the CAEF saw the distribution of two funding awards – the Flair Foundation Bursary and the Mike Shaikh FCA and Linda Shaikh Award—that provide support to Bridging students as they earn their pre-requisites to get into the CA School of Business. Since some of the Bridging students are internationally-educated professionals, the CAEF and ICAA promote resources (that the ICAA has developed through funding it receives from the Government of Alberta's Foreign Qualification Recognition Innovation Fund) to these students through marketing activities, as well as communication with U of L Bridging staff.
- The Foundation initiated a variety of creative fundraising campaigns that each contributed to the overarching "Paying it Forward" campaign that aims to raise \$250,000 by September 2012 to support youth financial literacy education in Alberta. One of the campaigns was a unique fundraising challenge where Mike Shaikh FCA, a member of the CAEF Board of Governors, matched the cumulative donations of Alberta CAs during a specified timeframe.

Management's Discussion & Analysis May 31, 2012

Another significant fundraising effort was the Foundation's *Playing it Forward* golf tournament event in Calgary, which included a silent auction and dinner, with all proceeds going towards Paying it Forward. Additionally, the Foundation launched the Forward Thinkers fundraising initiative that recognized donors who contributed \$100 or more as Forward Thinkers (who would receive a special pin and certificate) during a specific time period. As a way to connect with younger potential donors, the Foundation also organized fundraising photo booths at the CA graduation events in Edmonton and Calgary, where graduates had their photos taken and received on-the-spot copies, with all of the profits going towards Paying it Forward. By March 31, approximately \$155,000 had been raised toward the \$250,000 goal.

- The Foundation's financial literacy project received generous support from the Government of Alberta through a grant from the Community Spirit Grant Program. This grant was used to support work in three areas: research to determine the most effective ways to engage young people in learning about personal money management; website development; and project management.
- In terms of newly-established awards, one new scholarship was initiated this year by two CAs who wanted to honour the late Richard Schulli CA. The Richard Schulli CA Memorial Scholarship will be awarded annually to one student entering his/her third or fourth year of study pursuing an undergraduate business/commerce degree with a declared major in accounting. In memory of Richard Schulli's passion for helping younger CAs, the award recipient selection is based on student involvement in volunteer activities, preferably in a mentorship role.
- In 2011/12, the Foundation focused on utilizing operating funds to support new post-secondary institutions without compromising the funding to historically-funded schools. The Foundation provided almost \$190,000 in 2011/12 to post-secondary institutions, which included ones that were previously out of the Foundation's scope.
- The Foundation hosted the 2nd annual Conference for Academics, where business and accounting academics and instructors from post-secondary institutions across the province were invited to a full-day of no-cost professional development that included opportunities to engage in discussions about relevant topics and issues in business and accounting, as well as network with peers from other institutions.
- In 2011/12, the Foundation continued to review the effectiveness of scholarships and develop recommendations for approval by donors.
- In 2011/12, the Foundation received the most applications to date for its PhD Support Program. Funding was provided to seven qualified candidates pursuing their PhD in accounting.
- The Foundation hosted donor appreciation events in Edmonton and Calgary. These events were held to honour and recognize the many supporters of the Foundation and its work.

Management's Discussion & Analysis May 31, 2012

- The Foundation worked to ensure that funding provided to post-secondary institutions is focused on strategic priorities of the Foundation and the CA profession.

Outlook for 2012/13

In 2012/13, the Foundation will focus on achieving the goals outlined in its new three-year (2012-15) strategic plan, which identifies the following as priorities:

- Supporting accounting research
- Focusing findings to support business and accounting education
- Developing and implementing a donor stewardship program
- Developing a new legacy project

The Foundation will also look to successfully complete the fundraising for its Paying it Forward campaign in support of youth financial literacy education in Alberta. It will continue to utilize the funds raised to develop a web portal that not only connects Alberta junior and senior high school students with various online financial literacy resources, but also provides unique content that will help students better understand their relationship with money and how they can use information, tools and other resources to make empowering money management decisions.

The web portal will be promoted across the province through a comprehensive marketing campaign. Additionally, there will be opportunities for Alberta CAs to volunteer for the project and make an impact on junior and senior high school students in the classroom.

In 2012/13, the Foundation will transition this project work into the ICAA's annual programming.

In the new fiscal year, the CAEF will also continue work with post-secondary institutions to maximize the value and impact of CAEF support to institutions, faculty and students. A focus of the Foundation's work in 2012/13 will be to support scholarly research in the discipline of accounting. A fund has been developed for this purpose, with the goal of funding research that relates to accounting education.

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.

Management's Discussion & Analysis May 31, 2012

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 capital markets. The CAEF 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.

Independent 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, 2012, 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, 2012, 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

May 31, 2012
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 and approved by the Board.

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 FCA
Executive Director

Linda Hornung CA
ICAA Chief Financial & Operating Officer

May 31, 2012

Chartered Accountants' Education Foundation

Statement of Financial Position as at March 31

	2012	2011
Assets		
Cash	\$ 549,254	\$ 476,142
Accounts receivable	8,839	5,361
Investments (note 7)	2,141,419	2,132,876
	\$2,699,512	\$2,614,379
Liabilities		
Accounts payable and accrued liabilities	\$32,749	\$28,511
Grants payable	4,130	19,762
	36,879	48,273
Net Assets (note 9 and Schedule I and II)		
Restricted externally for endowment purposes	1,568,377	1,610,170
Restricted externally for other purposes	482,758	461,258
Internally restricted, Pay It Forward	98,390	67,781
Internally restricted, Bridges to the Future	34,192	34,051
Unrestricted	478,916	392,846
	2,662,633	2,566,106
	\$2,699,512	\$2,614,379

Commitments (note 4)

Approved on behalf of the Board of Governors

Bob Twerdun 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

	2012	2011
Revenues		
Contributions		
ICAA (note 5) – member fees	\$612,403	\$468,900
For capital or endowments (note 4 & Schedule II)	7,500	7,500
For restricted funds (note 9 & Schedule I)	42,061	32,752
Program donations	91,648	81,346
Investment income		
Interest and dividends	68,143	67,061
Realized (loss)/gain	(50,326)	6,505
Unrealized gain on investments	1,890	49,105
Event fundraising	19,775	56,828
	793,094	769,997
Expenditures		
Grants for post-secondary institutions		
For operations	189,650	155,000
For capital or endowments (note 4 & Schedule II)	42,900	35,850
Forgivable loans for PhD students	120,000	100,000
Teaching prizes	13,880	18,000
Student awards and support	71,890	78,483
Other program expenditures	105,573	53,783
Operating expenses (Schedule III)	152,674	123,891
	696,567	589,027
Excess of revenues over expenditures	96,527	204,990
Net assets, beginning of the year	2,566,106	2,361,116
Net assets, end of year	\$2,662,633	\$2,566,106

Chartered Accountants' Education Foundation

Statement of Cash Flows

for the year ended March 31

	2012	2011
Operating Activities		
General Fund		
Contributions received	\$ 704,051	\$ 550,246
Fundraising activities	19,775	56,828
Investment income received	18,450	13,864
	742,276	620,938
Expenditures and grants paid	(658,292)	(478,159)
	83,984	142,779
Flow Through Fund		
Contributions received	7,500	7,500
Expenditures and grants paid	(7,500)	(7,500)
	-	-
Restricted Fund		
Contributions received	42,061	32,752
Investment income received	53,264	51,206
	95,325	83,958
Expenditures and grants paid	(70,890)	(69,683)
	24,435	14,275
Cash from operations	108,419	157,054
Investing Activities		
Purchase of investments	(820,849)	(871,147)
Sale of investments	785,542	829,232
Cash used for investing	(35,307)	(41,915)
Increase in cash	73,112	115,139
Cash, beginning	476,142	361,003
Cash, ending	\$ 549,254	\$ 476,142

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 net of management fees. 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 gains and losses 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. 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 (IFRS) 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 CAEF 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 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.

b) 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.

Notes to Financial Statements as at March 31

5. Institute of Chartered Accountants of Alberta

The ICAA Council appoints two 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 2012, ICAA paid \$75 (2011 – \$60) for every resident member, for a total of \$612,403 (2011 – \$468,900) as unrestricted contributions. In addition, certain ICAA staff devote time to Foundation affairs for which no charges were rendered.

CAEF paid \$168,354 (2011 – \$92,956) 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, 2012 total \$4,301 (2011 - \$5,361).

6. Financial Instruments and Risk Management

Financial instruments

For cash, accounts receivable, 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. Cash and investments are carried at fair values as determined directly by reference to published price quotations in an active market. Interest rates on marketable investments vary from approximately 3.6% to 6.6% per annum.

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:

	2012		2011	
Fixed income securities	\$1,501,044	70%	\$1,497,072	70%
Equities: Canadian	460,769	22	493,994	23
US	179,606	8	123,766	6
International	-	-	18,044	1
	<hr/>		<hr/>	
	\$2,141,419	100%	\$2,132,876	100%
	<hr/>		<hr/>	
Cost	\$2,104,399		\$2,069,779	

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
Academic Research Fund	ARF	2012
Kenneth Biggs FCA and Leone Biggs Fund	Biggs	2012

10. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

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	\$ 76,465	\$ -	\$ 325	\$ (2,500)	\$ (2,175)	\$ 74,290
Connelly	58,961	-	236	(2,000)	(1,764)	57,197
Cormier	75,537	-	316	(1,000)	(684)	74,853
Easton	73,731	325	298	(2,000)	(1,377)	72,354
Glover	282,216	-	1,167	-	1,167	283,383
Nicoli-Griffiths	29,341	-	125	(1,000)	(875)	28,466
Hagerman	32,496	-	134	-	134	32,630
Haskayne	128,856	-	528	(5,000)	(4,472)	124,384
KBH	46,501	150	196	(2,500)	(2,154)	44,347
Milavsky	64,328	-	260	(2,500)	(2,236)	62,089
Miller	68,811	-	274	(2,500)	(2,226)	66,585
Parry	21,866	-	89	(1,000)	(911)	20,955
Rasmussen	25,079	-	107	(1,000)	(893)	24,186
Schaefer Mt. Royal	90,426	-	382	(3,500)	(3,118)	87,308
Sharpe	52,703	-	228	(3,000)	(2,772)	49,931
Swonek	67,738	1,200	285	(2,000)	(515)	67,223
Tupper	31,585	-	129	(1,000)	(871)	30,714
Valentine	80,780	1,200	333	-	1,533	82,313
Waller	110,251	-	441	(3,750)	(3,309)	106,942
Winspear	192,499	-	823	(15,095)	(14,272)	178,227
	\$1,610,170	\$2,875	\$6,676	\$(51,345)	\$(41,790)	\$1,568,377
Restricted externally for other purposes						
Baker	\$ 5,066	\$ -	\$ 21	\$ -	\$ 21	\$ 5,087
Biggs		12,598	(41)		12,557	12,557
Card	13,989	-	56	(1,500)	(1,444)	12,545
Collins	18,846	4,588	84	955	5,623	24,474
Lissey	35,751	1,000	153	(2,000)	(847)	34,904
McClement	17,213	-	71	-	71	17,284
Ross	7,130	-	27	(1,000)	(973)	6,157
Kouri	15,488	3,000	60	(1,500)	1,560	17,046
Morgan	261,262	-	1,114	(10,000)	(8,886)	252,376
Schaefer	53,429	-	229	(2,500)	(2,271)	51,158
Wilson	33,084	-	134	(2,000)	(1,866)	31,218
ARF		18,000	(48)		17,952	17,952
	461,258	39,186	1,860	(19,545)	21,497	482,758
2012 Total	\$2,071,428	\$42,061	\$8,536	\$(70,890)	\$(20,293)	\$2,051,135
2011 Total	\$1,995,320	\$32,752	\$113,039	\$(69,683)	\$76,108	\$2,071,428

*Net of fair value adjustment

Schedule II: Operations & Changes in Net Assets

	General		Flow Through		Restricted (Schedule I)		Total	Total
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues								
Contributions								
ICAA (note 5) –								
Members fees	\$612,403	\$468,900					\$612,403	\$468,900
For post-secondary capital or endowments (note 4)								
University of Alberta			7,500	7,500			7,500	7,500
University of Lethbridge								
University of Saskatchewan								
For endowments or restricted					42,061	32,752	42,061	32,752
Program donations	91,648	81,346					91,648	81,346
Event fundraising	19,775	56,828					19,775	56,828
Investment income	11,171	9,638			8,536	113,039	19,707	122,671
	734,997	616,712	7,500	7,500	50,597	145,785	793,094	769,997
Expenditures								
Grants for post-secondary institutions								
For operations								
Athabasca University	15,650	-					15,650	-
Concordia University								
College of Alberta	-	5,000					-	5,000
NAIT		5,000						5,000
MacEwan University	9,500	-					9,500	-
Mount Royal University	10,000	7,500					10,000	7,500
University of Alberta	60,000	50,000					60,000	50,000
University of Calgary	50,000	50,000					50,000	50,000
University of Lethbridge	34,500	30,000					34,500	30,000
University of Saskatchewan	-	7,500						7,500
Other discretionary	10,000	-					10,000	-
For capital or endowments (note 4)								
University of Alberta			7,500	7,500			7,500	7,500
University of Lethbridge	35,400	28,350					35,400	28,350
Grants for PhD students	120,000	100,000					120,000	100,000
Teaching prizes	13,880	18,000					13,880	18,000
Student awards & support	1,000	8,800			70,890	69,683	71,890	78,483
Program expenditures	105,573	53,783					105,573	53,783
Operating expenses (Sch III)	152,674	123,891					152,674	123,891
	618,177	487,824	7,500	7,500	70,890	69,683	696,567	565,007
Excess/(deficiency) of Revenues over expenditures								
	116,819	128,888			(20,293)	76,108	96,527	204,990
Net assets, beginning of year	\$494,684	\$365,796			\$2,071,428	\$1,995,320	\$2,566,106	\$2,361,116
Net assets, end of year	\$611,498	\$494,684			\$2,051,135	\$2,071,428	\$2,662,633	\$2,566,106

Schedule III: Operating Expenses as at March 31

	2012	2011
Staff services – ICAA	\$ 66,300	\$ 59,748
Administration Expenses	50,059	45,819
Office and professional fees	36,315	18,324
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	\$152,674	\$ 123,891
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