



THE CHARTERED ACCOUNTANTS'
EDUCATION FOUNDATION OF BRITISH
COLUMBIA

Financial Statements

March 31, 2009

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Chartered Accountants' Education Foundation of British Columbia (the "Foundation") are the responsibility of the management of the Institute of Chartered Accountants of British Columbia ("the Institute").

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include, where appropriate, estimates based on the best judgment of management.

As part of its responsibilities the Institute 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 Foundation's assets are appropriately accounted for and adequately safeguarded.

The Board of Governors of the Foundation (the "Board") reviews and approves these annual financial statements. The Board also recommends the engagement or re-appointment of the external auditors, reviews the scope of the audit and approves the fees of the external auditors for audit and non-audit services.

In addition, the financial statements have been audited by BDO Dunwoody LLP.

June 22 , 2009



Richard Rees, FCA
Chief Executive Officer



Jan Sampson, FCA
Chief Operating Officer

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

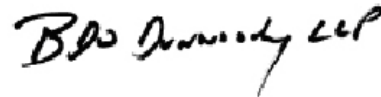
AUDITORS' REPORT

To the Board of Governors
The Chartered Accountants' Education Foundation of British Columbia

We have audited the statement of financial position of the Chartered Accountants' Education Foundation of British Columbia as at March 31, 2009 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Institute of Chartered Accountants of British Columbia'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 Chartered Accountants' Education Foundation of British Columbia as at March 31, 2009, the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.



*April 23, 2009
Vancouver, BC*

*BDO Dunwoody LLP
Chartered Accountants*



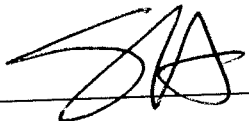
THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION
OF BRITISH COLUMBIA

STATEMENT OF FINANCIAL POSITION

As at March 31	2009	2008
ASSETS		
Cash (Note 3)	\$ 19,134	\$ 23,255
Investments (Note 3)	1,180,660	1,490,380
Interest receivable (Note 6)	0	5,500
	\$ 1,199,794	\$ 1,519,135
LIABILITIES		
Educational funding payable	\$ 7,000	\$ 16,000
Accounts payable and accrued liabilities	6,314	12,142
	13,314	28,142
Commitments (Note 4)		
NET ASSETS		
Net assets (Note 5)	1,186,480	1,490,993
	\$ 1,199,794	\$ 1,519,135

See accompanying notes

Approved on behalf of the Board of Governors:

 _____ Governor

 _____ Governor

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

Year ended March 31	2009	2008
REVENUES		
Investment income		
Vancouver Foundation (Note 6)	\$ 15,904	\$ 22,274
Cash and investments (Note 3)		
Earned during year	50,478	139,199
Unrealized (loss)/gain at year end	(280,334)	(163,959)
Institute of Chartered Accountants of British Columbia (Note 7)	32,500	34,500
Donations from members of the British Columbia Institute (Note 7)	300	300
Other donations	462	-
	(180,690)	32,314
EXPENDITURES		
Educational funding		
Universities and colleges	25,500	25,500
Doctoral support program	15,000	30,000
Scholarship and bursaries	28,200	23,500
Events	39,420	36,455
	108,120	115,455
Investment fee	10,623	10,699
Administrative		
Audit and legal	4,316	5,507
Meetings	661	433
General office	103	156
	15,703	16,795
	123,823	132,250
EXCESS OF (EXPENDITURES OVER REVENUES) REVENUES OVER EXPENDITURES	\$ (304,513)	\$ (99,936)

See accompanying notes

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Externally Restricted	Internally restricted	Unrestricted	2009	2008
NET ASSETS , beginning of year	\$ 64,593	\$ 922,153	\$ 504,247	\$ 1,490,993	\$ 1,568,038
Set up of Peter Stanley Scholarship		-	-		22,891
Excess of revenues over expenditures (expenditures over revenues)	-	300	(304,813)	(304,513)	(99,936)
NET ASSETS , end of year	\$64,593	\$ 922,453	\$199,434	\$1,186,480	\$ 1,490,993

See accompanying notes

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

STATEMENT OF CASH FLOWS

Year ended March 31	2009	2008
OPERATING ACTIVITIES		
Cash Receipts		
Investment Income	\$ 21,405	\$ 21,774
Donations Received	32,800	57,691
GST rebate	1,052	567
	55,257	80,032
 Cash Disbursements		
Educational Funding	77,700	92,000
Educational Symposium	40,047	37,036
Payments to suppliers	21,631	30,927
	139,378	159,963
	(84,121)	(79,931)
 INVESTING AND FINANCING ACTIVITIES		
Investments sold	80,000	95,000
 NET INCREASE (DECREASE) IN CASH		
	(4,121)	15,069
CASH, BEGINNING OF YEAR	23,255	8,186
CASH, END OF YEAR	\$ 19,134	\$ 23,255

See accompanying notes

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

1. PURPOSE

The Chartered Accountants' Education Foundation of British Columbia ("CAEF") was incorporated on July 12, 1990 under the Society Act (British Columbia) to advance accounting education in British Columbia. The CAEF intends to achieve this goal by enhancing the quality and quantity of students entering the profession, sponsoring relevant and practical research, and stimulating the ongoing educational experience of members and students of the Institute of Chartered Accountants of British Columbia ("BC Institute").

The CAEF is a public foundation 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. SIGNIFICANT ACCOUNTING POLICIES

a) *Basis of Accounting*

All revenue and expenses are accounted for on the accrual basis of accounting, except donations, which are recorded when received.

b) *Accounting for Educational Funding*

In 2006, the CAEF launched a new program of financial support in the form of forgivable loans for Chartered Accountants pursuing doctoral studies to prepare them for a career in teaching and research in accounting, assurance or taxation. These loans are forgivable if the candidate earns the doctoral degree and teaches at a BC educational institution. Each loan installment is recorded as an expense at the date the candidate is eligible to receive it, and any recoveries due to conditions not being met, are recorded as receivable at such time as this becomes determinable.

c) *Use of Estimates*

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies 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. The area requiring management estimates was the amount of education funding payable.

d) *Donated Services*

The CAEF benefits from donated services in the form of volunteer time for various committees. Donated services are not recognized in these financial statements.

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) *Financial Instruments*

The CAEF's financial instruments consist of cash, investments, interest receivable, educational funding payable, accounts payable and accrued liabilities. These financial instruments are accounted for in accordance with section 3861 of the CICA Handbook, as follows:

Held-for-trading

The CAEF has designated investments as held-for-trading. Investments are recorded at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income. Net gains and losses arising from changes in fair value are recognized immediately in income.

Receivables and Liabilities

Interest receivable, educational funding payable, accounts payable and accrued liabilities are non-interest bearing and stated at carrying values, which approximate fair value due to the short time to maturity.

3. CASH AND INVESTMENTS

The CAEF's investment philosophy is to invest conservatively with highly rated counterparties with the objective of preserving the purchasing power of the Foundation's capital over the long term while earning a reasonable rate of return. The CAEF holds its investments in mutual funds on which it earns interest, dividend and capital gains income. These investments can be redeemed at any time prior to maturity.

These mutual fund investments include a mix of 46% of fixed income securities and 54% of equities, and include Canadian and foreign investments. Effective interest rates are 2.90% to 5.53%(2008 – 4.81%). As such, these investments are subject to interest rate risk, representing the possibility that the investments will change in value due to fluctuations in market interest rates, and market risk, representing the possibility that the investments will change in value due to fluctuations in market prices. Credit risk is managed by using a third party manager who invests only in instruments with highly rated counterparties.

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

4. COMMITMENTS

The CAEF has entered into agreements with four doctoral candidates, whereby the CAEF will provide them with a cumulative maximum of \$80,000 of which \$60,000 has been paid to date. Funding will be provided if they meet the conditions of the agreements. Under the terms of these Doctoral Support Program agreements, the candidates must be enrolled in an approved doctoral program at the time of the funding, complete all requirements for the doctoral degree within five years of commencing the doctoral program and teach accounting at a British Columbia university immediately upon completion of the doctorate (one year of teaching for each year of support).

Under the terms of the agreement funding commitments will be as follows:

2010	\$	10,000
2011	\$	10,000

5. NET ASSETS

Details of the net assets are as follows:

	2009	2008
Externally Restricted Funds		
Scholarship and endowment fund	\$ 64,593	\$ 64,593
Internally Restricted Funds		
Donations to be held for a minimum of ten years	489,533	489,233
Bequests	432,920	432,920
	<u>922,453</u>	<u>922,153</u>
Unrestricted		
Contribution from the Memorial Scholarship Fund	86,929	86,929
Accumulated excess of revenues over expenditures	112,505	417,318
	<u>199,434</u>	<u>504,247</u>
	<u>\$ 1,186,480</u>	<u>\$ 1,490,993</u>

Awards for educational funding are made in the name of:

- Alexander Campbell
- Geoffrey W.J. Carter
- Desmond O'Brien
- John Hadfield
- Jim Miller Educational Endowment Fund
- Peter Stanley

THE CHARTERED ACCOUNTANTS' EDUCATION FOUNDATION OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

6. VANCOUVER FOUNDATION

The CAEF holds \$345,000 in contributed principal with the Vancouver Foundation. The market value of these funds at year-end is \$329,717 (2008 - \$411,703). In accordance with the provisions of the Vancouver Foundation Act, the amounts are held permanently by the Vancouver Foundation. As the CAEF has the right to receive only the investment income on these funds and has no access to the contributed principal, the CAEF financial statements do not include amounts placed with the Vancouver Foundation.

In 2009 the Vancouver Foundation transferred an amount equivalent to 3% per annum of the capital funds to an income account, which the CAEF can, if it chooses, withdraw as a distribution of capital. The CAEF has opted to have the amount of \$2,993 for the last quarter of the fiscal year 2008/09 left in the income account that can be accessed or reinvested as capital in the future. If at any time the CAEF accesses this money it will be recorded as income.

7. RELATED PARTY INFORMATION

The CAEF elects its Board of Governors from among candidates recommended by the BC Institute Council. The CAEF receives administrative and support services from the BC Institute without charge, and is charged only for costs incurred on its behalf, which amounted to \$48,440 (2008 - \$46,893). In the current year the CAEF received \$462 (2008 - \$0) donated by the BC Institute as the net proceeds of the sale of centenary artwork. These transactions are in the normal course of operations and are measured at the exchange amount, the amount of consideration established and agreed to by related parties.

The BC Institute provided CAEF with a specific purpose donation of \$32,500 (2008 - \$34,500) to fund scholarships and accounting research. There were no other donations made for 2009 (2008 - \$0).

At March 31, 2009 the CAEF owed the BC Institute \$117 (2008 - \$0).

8. CAPITAL DISCLOSURES

The CAEF's objective when managing capital is to safeguard its ability to advance accounting education in British Columbia.

The CAEF does not carry long-term debt and is not subject to any externally imposed capital requirements.

9. FUTURE ACCOUNTING CHANGES

The Accounting Standards Board (AcSB) has announced that all Canadian reporting entities, subject to certain exemptions which include not-for-profit organizations, will adopt International Financial Reporting Standards (IFRSs) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The AcSB is currently considering alternatives which those organizations who are not required to adopt IFRSs, specifically private enterprises and not-for-profit organizations. The CAEF will evaluate the implications of the various options as information becomes available.

The AcSB has issued a number of new standards affecting not-for-profit organizations: Section 4400 – Financial Statement Presentation by Not-for-Profit Organizations; Section 4460 – Disclosure of Related Party Transactions by Not-for-Profit Organizations; and Section 4470 – Disclosure of Allocated Expenses by Not-for-Profit Organizations. These standards are effective for the CAEF's reporting period beginning April 1, 2009, and the Fund is assessing the impact of these new standards on the financial statements. Implementation of these standards would only affect the disclosures contained in the Notes to the Financial Statements.