

*Financial Statements
and
Independent Auditors' Report*
March 31, 2009



ARTHUR MORRIS, CHRISTENSEN & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

**To the Members of
The Institute of Chartered Accountants of Bermuda**

We have audited the statement of financial position of The Institute of Chartered Accountants of Bermuda (the "Institute") as at March 31, 2009, and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in Bermuda and Canada.

Arthur Morris, Christensen & Co.

**Hamilton, Bermuda
May 5, 2009**

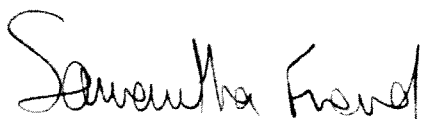
Statement of Financial Position

as at March 31, 2009

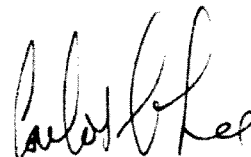
(Expressed in Bermuda Dollars)

	2009	2008
Current Assets		
Cash	\$ 25,685	\$ 18,985
Fixed deposits (note 3)	279,659	316,428
Accounts receivable	41,194	10,475
Interest receivable	6,239	6,048
Prepaid expenses	2,926	2,329
	<u>355,703</u>	<u>354,265</u>
Property and Equipment (note 4)	<u>48,291</u>	<u>60,074</u>
	<u>\$ 403,994</u>	<u>\$ 414,339</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 99,127	\$ 73,492
Net Assets		
Unrestricted net assets	<u>304,867</u>	<u>340,847</u>
	<u>\$ 403,994</u>	<u>\$ 414,339</u>

Approved by the Executive Committee



Vice Chair



Secretary

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets
for the year ended March 31, 2009
(Expressed in Bermuda Dollars)

	2009	2008
Revenues		
Membership fees	\$ 514,201	\$ 465,516
Less: CICA fees	<u>(223,437)</u>	<u>(213,210)</u>
Membership fees retained	290,764	252,306
Interest	14,412	21,303
Admission fees	<u>19,575</u>	<u>11,100</u>
	<u>324,751</u>	<u>284,709</u>
Expenses		
Salaries and benefits	300,186	232,982
Rent and office maintenance (note 6)	54,453	40,108
Conferences and committees	33,230	22,817
Disciplinary expense	23,074	17,718
Information technology consulting	16,795	15,818
Communication	15,702	12,489
Depreciation	15,009	6,507
Printing and stationery	9,237	9,855
Insurance	7,731	8,121
Advertising	6,106	4,746
Miscellaneous	5,871	1,913
Executive council expense	4,220	4,717
Legal fees	2,319	4,420
Foreign exchange (gain) loss (note 7)	<u>(18,681)</u>	<u>45,721</u>
	<u>475,252</u>	<u>427,932</u>
Deficiency of operating revenues over operating expenses	<u>(150,501)</u>	<u>(143,223)</u>
Program Revenues (Expenses) (note 5)		
Professional development	145,912	64,321
Student affairs	1,983	763
Public awareness	<u>(33,374)</u>	<u>(27,318)</u>
Total net program revenues	<u>114,521</u>	<u>37,766</u>
Deficiency of Revenues over Expenses	<u>(35,980)</u>	<u>(105,457)</u>
Unrestricted Net Assets, Beginning of Year	<u>340,847</u>	<u>446,304</u>
Unrestricted Net Assets, end of Year	<u>\$ 304,867</u>	<u>\$ 340,847</u>

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

as at March 31, 2009

(Expressed in Bermuda Dollars)

	2009	2008
Cash and Deposits provided by (used for):		
Operating Activities		
Deficiency of revenues over expenses	\$ (35,980)	\$ (105,457)
Depreciation	15,009	6,507
Changes in non-cash operating balances:		
Accounts receivable	(30,719)	13,105
Interest receivable	(191)	764
Prepaid expenses	(597)	(1,506)
Accounts payable and accrued expenses	<u>25,635</u>	<u>12,844</u>
Net cash (used in) provided by operating activities	(26,843)	(73,743)
Investing Activities		
Additions to property and equipment	<u>(3,226)</u>	<u>(22,162)</u>
Decrease in Cash and Deposits	(30,069)	(95,905)
Cash and Deposits, beginning of Year	<u>335,413</u>	<u>431,318</u>
Cash and Deposits, end of Year	<u>\$ 305,344</u>	<u>\$ 335,413</u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

as at March 31, 2009

(Expressed in Bermuda Dollars)

1. Description of Business

The Institute of Chartered Accountants of Bermuda (the "Institute") was established under the authority of the Institute of Chartered Accountants of Bermuda Act 1973. The Institute is affiliated with the Canadian Institute of Chartered Accountants (CICA). Its principal objectives are to promote and increase the knowledge, skill and proficiency of its members and students, to regulate the discipline and professional conduct of its members and students, to promote the best standard of practice in financial reporting and in the expression of professional opinions in relation thereto, and to promote the welfare and interests of the institute and accounting profession.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada, which have general application in Bermuda. The Institute's significant accounting policies are as follows:

Revenue recognition

Membership fees are recognized as revenue in the fiscal year to which they relate. Program revenues and expenses are recognized as revenues and expenses when the events are held.

Property and equipment

Property and equipment are recorded at cost, net of accumulated depreciation which is provided on the straight-line basis over the estimated useful lives of the assets as follows:

Office equipment	5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Website and related software	5 years

Donated services

The work of the Institute is dependent on the voluntary services of many members. Since these services are not normally purchased by the Institute, and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

Foreign exchange

Expenses invoiced in foreign currencies are translated into Bermuda dollars at the rates of exchange in effect of the date of the transaction. Gains and losses on translation are taken to the statement of operations and changes in net assets.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognized in the statements of income on a straight-line basis over the term of the lease.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of assets and liabilities as at the date of the financial statements. Estimates also affect the reported amount of income and expenses incurred for the reporting period of the statement of operations. Actual results could differ from those estimates.

ADOPTION OF NEW ACCOUNTING STANDARDS

The Canadian Institute of Chartered Accountants has issued several new accounting standards that are applicable to the Institute's 2009 financial statements. The new accounting standards adopted are as follows:

Notes to the Financial Statements

(Continued)

2. Summary of Significant Accounting Policies (continued)

Financial Instruments and Capital Disclosures

Handbook section 3861, Financial Instruments – Disclosures, outlines disclosure requirements for financial instruments and places increased emphasis on disclosures about the risks associated with recognised and unrecognized financial instruments, and how these risks are managed. The Institute has included the required disclosures in these financial statements.

Capital management

Handbook section 1535, Capital disclosures, requires disclosure of information that enables users of financial statements to evaluate an entity's objectives, policies and processes for managing capital.

3. Fixed Deposits

The following interest bearing fixed deposits which represent 69% of the Institutes assets are with Capital G Bank Limited:

\$137,567 matures on October 5th, 2009

\$142,092 matures on October 25th, 2009

4. Property and Equipment

Property and equipment comprise:

	Cost	Accumulated Amortization	2009 Net book value	2008 Net book value
Office equipment	\$ 18,020	\$ 17,603	\$ 417	\$ 607
Computer equipment	20,224	15,498	4,726	8,711
Furniture and fixtures	41,729	12,695	29,034	29,690
Website and related software	21,066	6,952	14,114	21,066
	<u>\$ 101,039</u>	<u>\$ 52,749</u>	<u>\$ 48,291</u>	<u>\$ 60,074</u>

5. Program Activities

The Institute generates revenues and incurs expenses for various programs and services. The gross revenues and expenses relating to these programs and services are as follows:

	Revenues	Expenses	2009 Net	2008 Net
Professional development	\$ 409,888	\$ 263,976	\$ 145,912	\$ 64,321
Student affairs	15,201	13,218	1,983	763
Public awareness	95,823	129,197	(33,374)	(27,318)
	<u>\$ 520,912</u>	<u>\$ 406,391</u>	<u>\$ 114,521</u>	<u>\$ 37,766</u>

Notes to the Financial Statements

(Continued)

6. Commitment

The Institute has entered into a lease for the office space it occupies at a monthly rent of \$3,070 (\$2008 - 3,070).

7. Financial Instruments and Capital Management

The Institute's financial instruments consist of cash, fixed deposits, accounts receivable, interest receivable, accounts payable and accrued liabilities.

Fair Value

The carrying values of cash and fixed deposits, accounts receivable, interest receivable, accounts payable and accrued liabilities approximate their fair values due to their short term nature.

Credit and interest rate risk

Financial assets which potentially subject the Institute to concentrations of credit risk consist principally of cash, fixed deposits and accounts receivable. In management's opinion, the risk of loss due to credit risk is not significant as cash and fixed deposits are placed with high credit quality financial institutions and accounts receivable are presented net of provisions for uncollectible amounts. Changes in interest rate will result in changes in amount of interest earned on fixed deposits.

Foreign exchange risk

Foreign exchange risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of financial instruments denominated in currencies other than Bermuda dollars. Changes in foreign currency exchange rates will result in gains or losses which are recorded in the statement of operations and changes in net assets.

The foreign exchange gain for the year ended March 31, 2009 arose on the movement in the Canadian dollar exchange rate from April 1, 2008, the date at which liabilities for CICA fees were recorded, and the actual rates of exchange in effect when each payment was made to settle the liability.

Capital management

The Institute manages its operations to maintain adequate capital to enable it to fulfill its mission and vision objectives which foster public confidence in the CA profession by acting in the public interest and helping our members excel.

8. Comparative Balances

Certain prior year balances have been reclassified to conform to the presentation adopted in the current year.