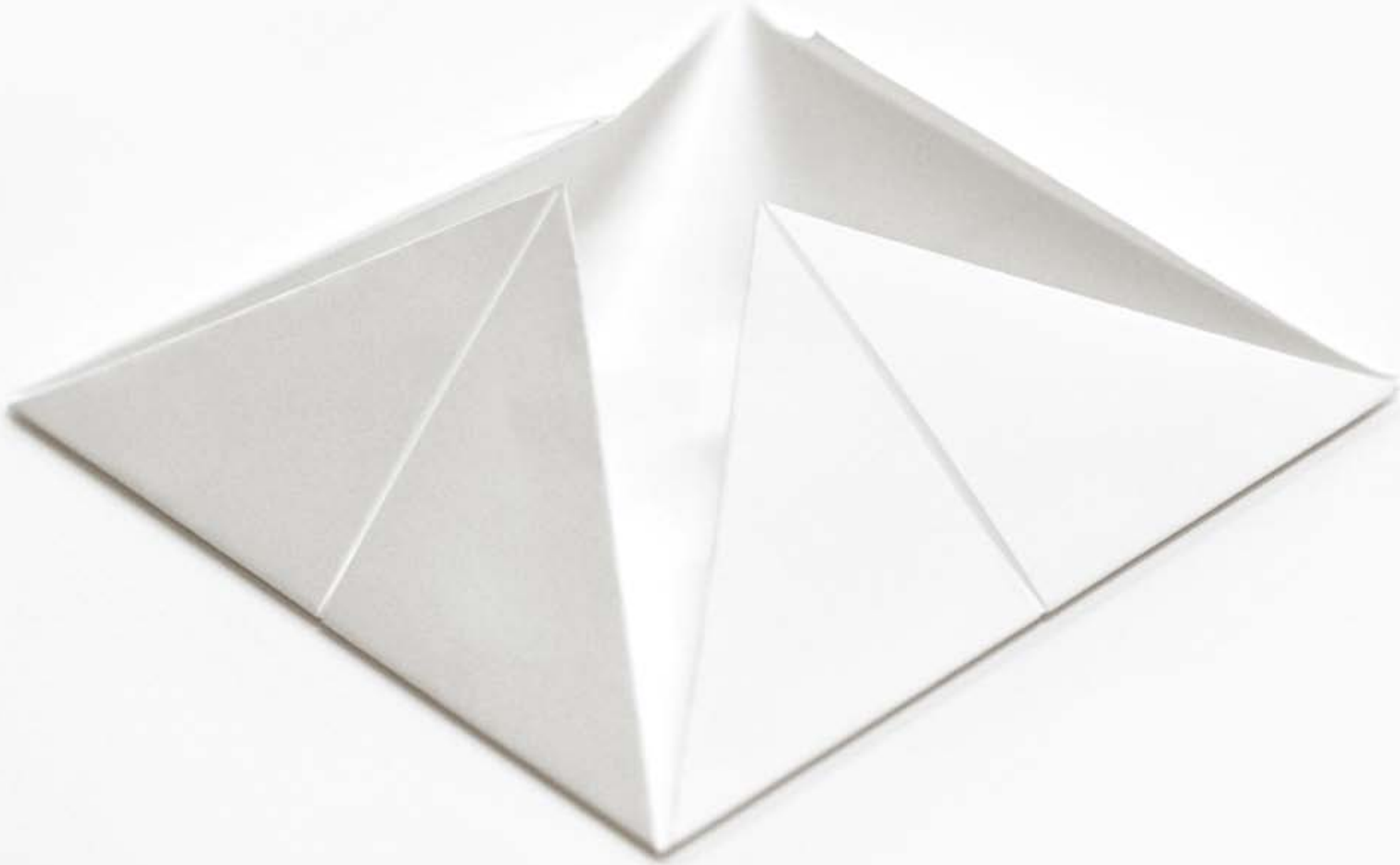


Financial Statements



Auditors' Report

To the members of the Ordre des comptables agréés du Québec

We have audited the statement of financial position of the ORDRE DES COMPTABLES AGRÉÉS DU QUÉBEC as at March 31, 2009 and the statements of operations, changes in fund balances and cash flows for the annual period then ended. These financial statements are the responsibility of the management of the ORDRE DES COMPTABLES AGRÉÉS DU QUÉBEC. 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 ORDRE DES COMPTABLES AGRÉÉS DU QUÉBEC as at March 31, 2009, and the results of its operations and its cash flows for the annual period then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures are based on financial statements that were audited by other auditors.

Bourgeois Marsolais, CA, LLP¹

Bourgeois Marsolais, CA, LLP

Montreal, May 1, 2009

¹CA auditor, permit No. 15101

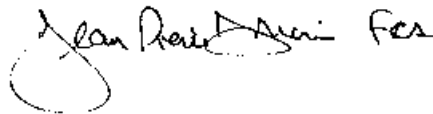
Management's responsibility with regard to the financial report

The financial statements and other information contained in this annual report are the responsibility of the management of the Ordre. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Where necessary, management has made judgments and estimates regarding the consequences of certain events and transactions, while considering materiality. The financial and statistical information contained in the remainder of the report is consistent with the information included in the financial statements.

As part of its responsibilities, the management of the Ordre maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded and that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements.

The Board of Directors of the Ordre carries out its responsibilities with regard to the financial statements mainly through its Audit Committee. This Committee reviews the annual financial statements and other information contained in the annual report and recommends them to the Board for approval. The Audit Committee meets periodically with the management of the Ordre and the external auditors, and reports to the Board.

The financial statements have been audited by the Ordre's auditors who were engaged by the Board of Directors of the Ordre upon recommendation of the Audit Committee and whose appointment was ratified at the Annual General Meeting.



Jean-Pierre Allaire, FCA, ICD.D
Chair of the Ordre

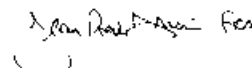


Daniel McMahon, FCA
President and CEO

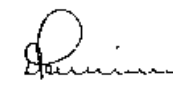
Statement of Financial position as at March 31, 2009

	2009			2008	
	General Fund \$	Indemnity Fund \$	Insurance Fund \$	Total \$	Total \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents (Note 6)	13,823,526	1,216,538	1,727,272	16,767,336	10,996,122
Investments (Note 7)	35,622	-	-	35,622	507,324
Accounts receivable (Note 8)	1,417,098	14,113	197,816	1,629,027	1,503,078
Prepaid expenses	280,572	-	-	280,572	171,389
	15,556,818	1,230,651	1,925,088	18,712,557	13,177,913
INVESTMENTS (Note 7)					
	499,832	84,528	124,039	708,399	5,685,406
CAPITAL ASSETS (Note 9)					
	1,083,489	-	-	1,083,489	1,044,661
	17,140,139	1,315,179	2,049,127	20,504,445	19,907,980
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities (Note 10)	5,079,240	-	180,758	5,259,998	4,939,746
Unearned revenue	6,359,003	-	-	6,359,003	6,016,878
	11,438,243	-	180,758	11,619,001	10,956,624
DEFERRED LEASE INDUCEMENT					
	49,000	-	-	49,000	52,500
ACCRUED BENEFIT LIABILITY (Note 11)					
	821,100	-	-	821,100	934,800
CLAIMS FLUCTUATION RESERVE (Note 12)					
	-	-	1,035,899	1,035,899	836,865
DEFERRED REVENUE (Note 13)					
	-	-	832,470	832,470	1,130,590
	12,308,343	-	2,049,127	14,357,470	13,911,379
FUND BALANCES					
Internally restricted for:					
• Capital assets	1,083,489	-	-	1,083,489	1,044,661
• Regional groups	365,979	-	-	365,979	292,728
• Professional education program	664,817	-	-	664,817	679,876
• Professional products and services	1,000,000	-	-	1,000,000	546,862
• Pension plan	400,000	-	-	400,000	400,000
Unrestricted	1,317,511	-	-	1,317,511	1,670,413
Indemnity Fund	-	1,315,179	-	1,315,179	1,351,587
Insurance Fund	-	-	-	-	10,474
	4,831,796	1,315,179	-	6,146,975	5,996,601
	17,140,139	1,315,179	2,049,127	20,504,445	19,907,980
COMMITMENTS (Note 14)					

ON BEHALF OF THE
BOARD OF DIRECTORS



Jean-Pierre Allaire, FCA, ICD.D
Chair of the Ordre



Daniel Y. Lemieux, CA
Chair of the Finance Committee

Statement of Operations for the annual period ended March 31, 2009

	2009				2008
	Budget (note 2) \$	General Fund \$	Indemnity Fund \$	Insurance Fund \$	Total \$
REVENUES					
Member and candidate fees	16,460,900	16,375,974	-	-	16,375,974
Member and candidate registrations	459,000	419,680	-	-	419,680
Professional products and services:					
• Continuing education	5,094,200	4,986,116	-	-	4,986,116
• Publications	476,100	418,832	-	-	418,832
• Other	101,300	90,226	-	-	90,226
Professional inspection fees	1,200,300	1,200,322	-	-	1,200,322
Examination fees	899,500	1,008,294	-	-	1,008,294
Activities	623,500	688,251	-	-	688,251
Investment income	446,200	-	-	-	-
Commercial products and services	415,000	526,704	-	-	526,704
Fines	30,000	46,274	-	-	46,274
Experience refunds from insurance plans for the year	-	-	-	176,918	176,918
Other (Note 15)	553,100	525,626	-	267,823	793,449
	26,759,100	26,286,299	-	444,741	26,731,040
EXPENSES (Appendix A) (Note 11)					
Management and external affairs	1,824,100	1,810,328	-	-	1,810,328
Supervision of the profession	3,708,100	3,521,154	6,190	-	3,527,344
Member services	7,853,700	6,872,944	-	-	6,872,944
Qualification	2,698,100	2,696,662	-	-	2,696,662
Administration (Notes 9 and 14)	3,665,400	3,993,885	23,091	68,789	4,085,765
CICA services (Note 1)	7,215,400	7,151,949	-	-	7,151,949
Experience refunds to insured members	-	-	-	176,918	176,918
Increase in claims fluctuation reserve (Note 12)	-	-	-	199,034	199,034
	26,964,800	26,046,922	29,281	444,741	26,520,944
EXCESS OF REVENUES OVER EXPENSES (OF EXPENSES OVER REVENUES)	(205,700)	239,377	(29,281)	-	210,096
					1,153,757

Statement of changes in Fund Balances for the annual period ended March 31, 2009

	2009								
	General Fund						Indemnity Fund	Insurance Fund	Total
	Invested in capital assets \$	Restricted for regional groups \$	Restricted for PEP* orientation \$	Restricted for PPS** \$	Restricted for pension plan \$	Unrestricted \$	\$	\$	\$
BALANCE, BEGINNING OF PERIOD	1,044,661	292,728	679,876	546,862	400,000	1,628,292	1,344,460	-	5,936,879
Excess of revenues over expenses (of expenses over revenues)	(440,221)	(289,447)	22,578	-	-	946,467	(29,281)	-	210,096
Purchase of capital assets	480,954	(2,880)	-	-	-	(478,074)	-	-	-
Disposal of capital assets	(1,905)	-	-	-	-	1,905	-	-	-
Interfund transfers (Note 16)	-	365,578	(37,637)	453,138	-	(781,079)	-	-	-
	1,083,489	365,979	664,817	1,000,000	400,000	1,317,511	1,315,179	-	6,146,975
Accumulated gains included directly in the statement of changes in fund balances, beginning of period	-	-	-	-	-	42,121	7,127	10,474	59,722
Change in unrealized losses on available-for-sale financial assets arising during the period	-	-	-	-	-	(42,121)	(7,127)	(10,474)	(59,722)
Accumulated gains included directly in the statement of changes in fund balances, end of period	-	-	-	-	-	-	-	-	-
BALANCE, END OF PERIOD	1,083,489	365,979	664,817	1,000,000	400,000	1,317,511	1,315,179	-	6,146,975

	2008								
	General Fund					Indemnity Fund	Insurance Fund	Total	
	Invested in capital assets \$	Restricted for regional groups \$	Restricted for PEP* orientation \$	Restricted for PPS** \$	Restricted for pension plan \$	Unrestricted \$	\$	\$	\$
BALANCE, BEGINNING OF PERIOD	709,172	337,991	670,383	546,862	150,000	1,031,460	1,337,254	-	4,783,122
Excess of revenues over expenses (of expenses over revenues)	(470,477)	(358,622)	14,217	-	-	1,961,433	7,206	-	1,153,757
Purchase of capital assets	807,023	(1,660)	-	-	-	(805,363)	-	-	-
Disposal of capital assets	(1,057)	-	-	-	-	1,057	-	-	-
Interfund transfers (Note 16)	-	315,019	(4,724)	-	250,000	(560,295)	-	-	-
	1,044,661	292,728	679,876	546,862	400,000	1,628,292	1,344,460	-	5,936,879
Change in unrealized gains on available-for-sale financial assets arising during the period	-	-	-	-	-	42,121	7,127	10,474	59,722
BALANCE, END OF PERIOD	1,044,661	292,728	679,876	546,862	400,000	1,670,413	1,351,587	10,474	5,996,601

* The Professional Education Program is intended for students registered in a graduate diploma program.

** The amount restricted for Professional Products and Services is used to develop continuing education activities.

Statement of cash flows for the annual period ended March 31, 2009

	2009	2008
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	210,096	1,153,757
Non-cash items:		
• Amortization of capital assets	438,486	471,534
• Loss (gain) on disposal of capital assets	1,735	(1,057)
• Gain on sale of investments	(13,800)	-
• Loss in value of investments	731,648	396,761
• Amortization of deferred lease inducement	(3,500)	(88,122)
• Decrease in accrued benefit liability	(113,700)	(270,800)
• Increase in claims fluctuation reserve	199,034	58,578
• Decrease in deferred revenue from Insurance Fund	(298,120)	(144,559)
	1,151,879	1,576,092
Net change in non-cash working capital item (Note 17)	427,245	1,186,942
	1,579,124	2,763,034
FINANCING ACTIVITIES		
Increase in deferred revenue from Insurance Fund	-	45,183
INVESTING ACTIVITIES		
Proceeds from disposal of investments	4,706,761	173,141
Purchase of investments	(35,622)	(6,544,603)
Purchase of capital assets	(480,954)	(807,023)
Proceeds from disposal of capital assets	1,905	1,057
Increase in lease inducement	-	56,000
	4,192,090	(7,121,428)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,771,214	(4,313,211)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	10,996,122	15,309,333
CASH AND CASH EQUIVALENTS, END OF PERIOD	16,767,336	10,996,122

Notes to Financial Statements • March 31, 2009

1. INCORPORATION, NATURE OF ACTIVITIES AND STRUCTURE OF THE ORDRE

The Ordre des comptables agréés du Québec (the Ordre) is constituted under the *Chartered Accountants Act* of Quebec. The Ordre's primary mission is to ensure the protection of the public. The Ordre is governed by Quebec's *Professional Code* and is a not-for-profit organization for the purposes of the *Income Tax Act*. The Ordre must, in particular, ensure the delivery of practice permits to candidates who have met the required conditions, maintain the Roll of the Ordre and supervise the practice of the profession by its members. In addition, under a protocol agreement signed in 1998 and renewed on May 23, 2006, the Ordre uses the services of the Canadian Institute of Chartered Accountants (CICA) in the following areas affecting Canadian chartered accountants as a whole: public interest and integrity; effective leadership and strategic planning for the profession; education and qualification; standard setting; and communications. The Ordre's financial statements are prepared in accordance with Canadian generally accepted accounting principles and presented in accordance with sections 22 to 25 of the *Regulation respecting the annual reports of professional orders* (R.S.Q., c. C-26, s. 12, third para., subpara. 6(b) and s. 12.2).

2. BUDGET

The unaudited figures included under the "Budget" heading in the statement of operations cover the General Fund and are provided for information purposes only. The budget was approved by the Board of Directors of the Ordre on February 7, 2008.

3. CHANGE IN ACCOUNTING POLICIES

(a) New standards adopted during the period

During the period, the Ordre applied the new CICA recommendations included in the Section 4400 series and in Section 1540 of the *CICA Handbook* respecting the recognition, measurement and reporting of financial information specific to not-for-profit organizations. The adoption of these new standards has resulted in changes in the presentation of the statement of cash flows and in the notes to financial statements. Disclosures regarding allocated expenses are presented in Note 4(c).

(i) Capital disclosures

On April 1, 2008, management adopted *CICA Handbook* Section 1535, "Capital Disclosures," which establishes standards for disclosing information about an entity's capital and how it is managed. The implementation of these standards by the Ordre did not have an impact on its results of operations or financial position (Note 18).

(ii) Financial instruments

On April 1, 2008, management chose to adopt *CICA Handbook* Section 3862, "Financial Instruments — Disclosures," and Section 3863, "Financial Instruments — Presentation," which replace Section 3861, "Financial Instruments — Disclosure and Presentation." These standards revise and enhance disclosure requirements such that the entity is required to provide additional information on the nature and extent of risks arising from financial instruments to which it is exposed and how it manages those risks. The implementation of these standards by the Ordre did not have an impact on its results of operations or financial position (Note 5).

(iii) Credit risk and the fair value of financial assets and financial liabilities

The Emerging Issues Committee Abstract of Issue Discussed EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, specifies that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities. Adoption of EIC-173 did not have a material effect on the Ordre's financial statements or on the fair value measurement of its financial assets and financial liabilities.

(iv) General standards of financial statement presentation

The CICA amended *CICA Handbook* Section 1400, "General Standards of Financial Statement Presentation," adding the requirement that management should make an assessment of the entity's ability to continue as a going concern when preparing the financial statements. This amendment came into effect on April 1, 2008 and did not affect the Ordre's financial statements.

(b) Future accounting changes

(i) International Financial Reporting Standards

The Accounting Standards Board (AcSB) has announced that all Canadian publicly accountable enterprises, subject to certain exceptions 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 Ordre has the option of adopting IFRSs. Management is currently assessing the implications of adopting these new standards.

(ii) Financial statement concepts

CICA Handbook Section 1000, “Financial Statement Concepts,” was amended to take into account the capitalization of costs that substantively satisfy the definition of an asset, with less focus on the matching principle. These amendments are effective as of April 1, 2009. Management is currently assessing the impact of these changes on the Ordre’s financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Fund accounting

The General Fund is used for all ordinary and regular operations of the Ordre. Revenues and expenses related to services and administration are presented in the General Fund.

The Indemnity Fund is intended to repay the amounts of money or other securities used by a member for purposes other than those for which they had been delivered to him or her in the practice of the profession, in accordance with Section 89 of the *Professional Code*.

The Insurance Fund includes the amounts refunded by insurers for members who participate in the insurance plans offered to Ordre members. Revenues and expenses related to the Insurance Fund are included in this Fund. The related investment income is recognized as deferred revenue on the statement of financial position.

(b) Revenue recognition

The Ordre uses the deferral method to recognize contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Continuing education revenue is recognized based on clients’ use of the service, according to an average usage rate established each year.

Membership fees and other revenue are recognized in the period to which they relate.

Realized gains and losses are recognized in the statement of operations while unrealized gains and losses on financial assets that are available for sale are included directly in the statement of changes in fund balances until such assets are removed from the statement of financial position or until they suffer a permanent impairment in value, in which case they are recorded in the statement of operations.

(c) Cost allocation

Costs directly related to an activity are charged to that activity. Overhead is allocated to the

following self-financing centres according to use: Professional Inspection, Continuing Education and Publications (included in “Professional products and services: Other”). The unallocated balance is shown separately in the additional information under “Office occupancy expenses” and “General expenses.” Overhead is allocated on the following bases:

- expenses related to rent, insurance and taxes – based on square footage used;
- expenses related to telephones and supplies – based on the number of work stations used;
- expenses related to office equipment and stationery – based on the rate of use of the printers.

Overhead is allocated as follows:

	2009	2008
	\$	\$
Professional inspection	132,611	93,786
Continuing education and publications	213,500	213,884
Unallocated general expenses	1,425,915	1,347,943
	1,772,026	1,655,613

(d) Contributed services

The operation of the Ordre depends in part on the voluntary service of many members. Since these services are not normally purchased by the Ordre and their fair value is difficult to estimate, contributed services are not reflected in these financial statements.

(e) Management 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 disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reported period. The critical estimates relate to the recognition of unearned revenue from continuing education activities, the write-down of investments and the accrued benefit liability. Actual results could differ from these estimates.

(f) Cash and cash equivalents

The Ordre's policy is to disclose cash, money market mutual fund units and investments of 90 days or less from the date of acquisition under cash and cash equivalents.

(g) Short-term investments

Short-term investments consist of term deposits and fixed income securities with maturities of over 90 days but less than 12 months.

(h) Capital assets

Capital assets are recorded at cost and amortized using the following methods, rates and periods:

	Methods	Rates/Periods
Furniture and equipment	Declining balance	20%
Computer software	Straight-line	5 years
Computer hardware	Straight-line	3 years
Leasehold improvements	Straight-line	Lease term, 16 years

(i) Deferred lease inducement

The deferred lease inducement is amortized on a straight-line basis over the term of the original lease and is applied against lease payments.

(j) Employee benefit plans

The Ordre maintains a pension plan, which was a contributory defined benefit pension plan up until December 31, 2006. As of January 1, 2007,

the defined benefit plan is maintained for past services rendered before this date, and continues as a defined contribution plan for subsequent services.

(i) Defined benefit plan for past services

The fair value of plan assets and the accrued obligation are measured at December 31.

The Ordre amortizes the transitional asset (obligation) on a straight-line basis over the average remaining service period of active employees expected to receive benefits.

The Ordre has adopted the following policies to account for its obligations under employee benefit plans and the related costs, net of plan assets:

- The cost of pension and other post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate assumptions in determining the expected return on plan assets, salary escalation, the retirement ages of employees and expected post-retirement benefit costs;
- For the purpose of calculating the expected return on plan assets, those assets are measured at fair value;
- Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment;

Notes to Financial Statements • March 31, 2009 > continued

- The excess of the net actuarial gain (loss) over 10% of the accrued benefit obligation, or over 10% of the fair value of plan assets if higher, is amortized over the average remaining service period of active employees. The average remaining service periods of active employees covered by the basic pension plan and the supplementary plan are respectively 12 years and 11 years as at December 31, 2008 (13 years and 11 years as at December 31, 2007).

(ii) Defined contribution plan

The cost of the plan is based on the amount of employer and participant contributions.

5. FINANCIAL INSTRUMENTS

In accordance with *CICA Handbook* Section 3855, "Financial Instruments - Recognition and Measurement," financial instruments are classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale, or other financial liabilities. The classification determines the accounting treatment of the instrument. The classification is determined by management when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

The Ordre's financial assets and financial liabilities are classified and measured as follows:

Financial assets/liabilities	Category	Measurement
Cash and cash equivalents	Held for trading	Fair value
Receivables	Held for trading	Fair value
Investments	Available for sale	Fair value
Accounts payable and accrued liabilities	Held for trading	Fair value
Claims fluctuation reserve	Other financial liabilities	Cost

The fair value of a financial instrument is the estimated amount that would be received or paid to settle a financial asset or financial liability at the reporting date. The following methods and assumptions were used to determine the fair value of each category of financial assets and financial liabilities:

- (i) *Cash and cash equivalents, receivables, accounts payable and accrued liabilities*
The fair values of these financial assets and liabilities held for trading approximate their carrying value due to their short-term nature.
- (ii) *Investments*
The fair value of investments is based on quoted market prices, with the exception of ABCP, which is measured according to the method described in Note 7.

(iii) Claims fluctuation reserve

The claims fluctuation reserve is recorded at cost, since fair value cannot be determined as this reserve is based on potential claims whose amounts and dates are unknown.

Changes in fair value of financial instruments classified as available for sale are recorded in the statement of changes in fund balances and expensed when realized or when the impairment in value is permanent.

During the annual period, financial assets available for sale generated interest income of \$195,432 and net losses of \$594,758, an amount which includes their permanent impairment in value.

Risk management

The Ordre manages its exposure to the risks associated with financial instruments that affect its operating and financial performance in accordance with its Risk Management Policy. The objective of the policy is to reduce volatility in cash flow and earnings.

The Ordre is exposed to the following risks associated with its financial instruments. An analysis of sensitivity to specified risks is provided where these risks may affect results, activities or financial position. The sensitivity analysis is performed by relating the reasonably possible changes in the risk variables at March 31, 2009 to financial instruments outstanding on that date.

The Ordre's financial instruments and the nature of the risks which they may be subject to are as follows:

	RISKS			
	Credit	Liquidity	Market risks	
			Currency	Interest rate
Measured at fair value <ul style="list-style-type: none"> • Cash and cash equivalents • Receivables • Investments • Accounts payable and accrued liabilities 	X			
Measured at cost <ul style="list-style-type: none"> • Claims fluctuation reserve 	X	X	X	X

(a) Credit risk

Credit risk arises from the possibility of one of the parties defaulting on its financial obligations. Concentration of credit risk exists when clients in a group have similar economic characteristics such that their ability to meet their obligations could be affected similarly by changes in economic or other conditions. Major concentrations of credit risk to which the Ordre is exposed are industry-related and the Ordre has no significant risk with respect to a single client. The Ordre is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, which would cause it to incur a financial loss.

The total amount of cash and cash equivalents, receivables and investments, measured at fair value, correspond to the Ordre's maximum exposure to credit risk.

(i) Cash and cash equivalents and investments

Credit risk associated with cash and cash equivalents and short-term investments is minimized by investing these assets in money market mutual fund units, Canada Treasury bills and term deposits. An ongoing review is performed to evaluate changes in the status of the investments under the Ordre's investment policy.

(ii) Receivables

Credit risk associated with receivables is minimized by the Ordre's large client base. Receivables are derived mostly from Ordre members. At March 31, 2009, amounts receivable from members comprised 73% of the total amounts due.

The Ordre must make estimates in respect of the allowance for doubtful accounts. The reasons for the accounts being past due and line of business from which the receivable arose are considered in determining when past-due accounts should be allowed for or whether to write-off amounts charged to the allowance account against

the amounts receivable. The allowance for doubtful accounts is calculated on a specific-identification basis or on a non-specific basis for amounts receivable, as appropriate. An allowance of \$8,503 (\$5,020 in 2008) was made for the remainder of the receivables which represent financial assets held for trade, with balances of over 90 days from the date of billing. Amounts subsequently recovered from accounts previously written off are recognized in the period of recovery.

(b) Liquidity risk

Liquidity risk is the risk of being unable to meet a demand for cash or fund obligations as they come due. It stems from the possibility of a delay in realizing the fair value of investments.

The Ordre manages its liquidity risk by constantly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash.

Accounts payable and accrued liabilities are generally paid within 30 days. With respect to the claims fluctuation reserve, there is no known maturity since the reserve concerns potential claims.

(c) Market risks

The Ordre is exposed to market risks arising from changes in the fair value of financial instruments due to market price fluctuations. Market risks consist of currency risk and interest rate risk.

Notes to Financial Statements • March 31, 2009 > continued

(i) Currency risk

Currency risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in foreign exchange rates.

The functional currency of the Ordre is the Canadian dollar. The Ordre does not enter into foreign currency transactions and does not use foreign exchange forward contracts. At March 31, 2009, the Ordre had no investments exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in market interest rates.

The Ordre is exposed to interest rate risk with regard to its cash and cash equivalents, and investments. The Ordre has no interest-bearing liability.

The Ordre's cash includes amounts on deposit with financial institutions that earn interest at the market rate.

The Ordre manages its exposure to the interest rate risk of its cash by minimizing its capital investment risks while achieving a satisfactory return and maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Ordre's results of operations.

Term deposits, money market mutual fund units and Canada Treasury Bills are not exposed to significant interest rate risk due to their short-term nature. Therefore, this risk does not have a significant impact.

6. CASH AND CASH EQUIVALENTS

	2009	2008
	\$	\$
Cash	2,396,507	2,423,812
Money market mutual fund	10,745,055	8,562,310
Canada Treasury Bills	3,568,280	-
Term deposits	57,494	10,000
	<u>16,767,336</u>	<u>10,996,122</u>

The Ordre manages its investment portfolio, whose fair value is equal to cost, based on its cash requirements and with a view to safeguarding its capital while achieving a satisfactory return. The rate of return on the money market mutual fund units varies according to market rates. The rate of return was 2.61% for the annual period (4.0% in 2008). The interest rate on term deposits held at the end of the annual period and maturing in 90 days or less ranged from 3.0% to 3.65%.

7. INVESTMENTS

(a) Term deposits

Term deposits are held for a period of more than 90 days, and their fair value corresponds to their cost. Interest rates on term deposits held at the end of the annual period ranged from 0.25% to 1.90% (2.5% to 3.71% in 2008), and the maturity dates do not exceed one year.

(b) Corporate bonds

At March 31, 2009, the Ordre held corporate bonds the value of which, i.e. \$394,040, was fully written off by management, recorded as follows:

Investment income on the corporate bonds was reduced by \$278,026 for the General Fund and \$47,018 for the Indemnity Fund on the statement of operations. Investment income from the Insurance Fund was also reduced by \$68,996 from deferred revenue on the statement of financial position. The bonds mature in February 2010.

At March 31, 2009, there is no difference between the cost and fair value of the bonds because they were either disposed of or fully written down. The disposal of the bonds resulted in a gain of \$13,800. At March 31, 2008, the difference between the cost and fair value of long-term bonds was reflected in the change in unrealized gains in the statement of changes in fund balances. The effective bond yield for the annual period was 3.14% (4.16% in 2008).

	2009		2008	
	Cost \$	Fair value \$	Cost \$	Fair value \$
Short-term				
Term deposits	35,622	35,622	105,484	105,484
Corporate bonds	394,040	-	395,868	401,840
	429,662	35,622	501,352	507,324
Long-term				
Money market mutual fund units (ABCP)	1,442,770	708,399	1,442,770	1,046,009
Corporate bonds	-	-	4,539,797	4,593,547
Term deposits	-	-	45,850	45,850
	1,442,770	708,399	6,028,417	5,685,406
	1,872,432	744,021	6,529,769	6,192,730

(c) Money market mutual fund units (ABCP)

On March 31, 2009, the Ordre held \$1,442,770 (\$1,442,770 in 2008) in money market mutual fund units, the assets of which are essentially comprised of non-bank asset-backed commercial paper (ABCP).

In August 2007, the issuers of the non-bank ABCP stopped honouring their commitments because of a liquidity crisis. Since there is no active market for non-bank ABCP securities, the fund manager suspended the redemption of fund units until the net asset value of the fund can be reasonably determined and there is an active market in which non-bank ABCP securities can be sold. To take into account a possible impairment of these securities, the fund manager recorded a total loss in value of 41.6% (18.5% in 2008) of total fund assets at March 31, 2009.

Under GAAP, additional constraints imposed on fund unit holders should be taken into account when determining the fair value of the units held by the Ordre. Thus, a \$134,177 (\$129,849 in 2008) provision for illiquidity in respect of the fund units was recognized as at March 31, 2009 in addition to the loss in value established by the fund manager. This provision corresponds to the estimated impact of the constraints on outflows imposed by the fund manager and amounts to 9.3% (9% in 2008) bringing the total loss in value to 50.9% or \$734,369 (27.5%, i.e. \$396,761 in 2008).

The loss in value of 23.4% reported during the period, i.e. \$337,608 (27.5%, i.e. \$396,761 in 2008) was recorded as follows:

Investment income was reduced by \$238,209 for the General Fund (\$279,947 in 2008) and \$40,284 (\$47,342 in 2008) for the Indemnity Fund on the statement of operations.

Investment income from the Insurance Fund was also reduced by \$59,115 (\$69,472 in 2008) from deferred revenue on the statement of financial position.

Management believes that the estimate of the fair value of its fund units is reasonable and is the best possible estimate as at March 31, 2009. Nevertheless, this fair value is based on information available at March 31, 2009 and on management's assessment of capital market conditions. It does not correspond to the net asset value at which the fund units could be redeemed. Changes in assumptions, especially in light of market conditions, could have an impact on the value of the ABCP securities and, consequently, on the net asset value of the units during the next fiscal period.

If these uncertainties are resolved, the definitive fair value of these investments could depart from the Ordre's current best estimates, and this difference could have an impact on the Ordre's financial results.

The Ordre has the funds necessary to meet its future financial obligations and does not foresee any significant negative impact from ABCP liquidity problems.

Notes to Financial Statements • March 31, 2009 > continued

8. ACCOUNTS RECEIVABLE

	2009	2008
	\$	\$
Accounts receivable	1,314,165	948,514
Amount receivable from an insurance company	176,918	456,716
Other	137,944	97,848
	1,629,027	1,503,078

The amount receivable from an insurance company corresponds to a life insurance plan surplus to be distributed to insured members.

9. CAPITAL ASSETS

	2009			2008
	Cost \$	Accumulated amortization \$	Net value \$	Net value \$
Furniture and equipment	556,328	280,186	276,142	336,060
Computer software	2,019,809	1,420,416	599,393	509,004
Computer hardware	600,942	507,756	93,186	76,633
Leasehold improvements	131,161	16,393	114,768	122,964
	<u>3,308,240</u>	<u>2,224,751</u>	1,083,489	<u>1,044,661</u>

The amortization expense charged to administrative expenses was \$438,486 (\$471,534 in 2008), of which \$274,455 (\$257,027 in 2008) was for software.

During the period, the Ordre wrote off some computer software and hardware with no remaining useful life. The write-off resulted in a reduction of the cost and accumulated amortization of \$367,261 for the computer software and \$20,188 for the hardware.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
	\$	\$
CICA services	2,045,480	1,526,012
Accounts payable	1,352,581	1,482,837
Salaries and payroll deductions	666,518	566,040
Sales taxes payable	551,865	477,092
Office des professions du Québec levy	466,636	431,049
Amount payable to members participating in insurance plans ¹	176,918	456,716
	5,259,998	4,939,746

¹ During the period, an insurance plan surplus refund of \$176,918 was approved.

11. EMPLOYEE BENEFIT PLANS

(a) Defined benefit plans

The actuarial valuation for funding purposes was performed as at December 31, 2006. During the period, the Ordre approved the transfer of a maximum of two million dollars to be invested in the defined benefit plan. This infusion will alleviate plan cost volatility and reduce the minimum payments required to repay the accumulated deficit mentioned in Note 14 under commitments. Accordingly, the next actuarial valuation due December 31, 2009 could be moved up to December 31, 2008.

Information about the defined benefit plans as at March 31, in aggregate, is as follows:

	Funded Pension plan		Unfunded pension plan	
	2009	2008	2009	2008
	\$	\$	\$	\$
Pension expense	45,700	27,000	54,300	52,800
Fair value of plan assets	6,128,300	7,244,300	-	-
Accrued benefit obligations	7,151,100	9,561,500	504,400	613,900
Funded status (deficit)	(1,022,800)	(2,317,200)	(504,400)	(613,900)
Unrecognized items	779,600	1,954,500	(73,500)	41,800
Accrued benefit liability	(243,200)	(362,700)	(577,900)	(572,100)

The accrued benefit liability from both pension plans combined was \$821,100 (\$934,800 in 2008).

The significant actuarial assumptions adopted in measuring the accrued benefit obligations and recognized costs are as follows (weighted-average assumptions as at December 31):

	Funded and unfunded pension plans	
	2009	2008
Discount rate used for recognized costs	5.0%	5.0%
Discount rate used for benefit obligations	7.25%	5.0%
Expected long-term rate of return on plan assets	6.0%	6.0%
Rate of compensation increase	3.5%	3.5%

Notes to Financial Statements • March 31, 2009 > continued

The assets of the funded plan consist of the following:

	Funded pension plan	
	2009	2008
Asset class:		
Canadian equities	25%	26%
Foreign equities	30%	29%
Bonds	43%	43%
Money market	2%	2%
	<u>100%</u>	<u>100%</u>

Other information about the Ordre's defined benefit plans is as follows:

	Funded pension plan		Unfunded pension plan	
	2009	2008	2009	2008
	\$	\$	\$	\$
Employer contributions	207,500	247,000	-	-
Benefits paid	210,300	141,500	48,500	48,500

(b) Defined contribution plan

The total cost recognized for the Ordre's defined contribution plan was \$314,872 (\$298,660 in 2008).

12. CLAIMS FLUCTUATION RESERVE (INSURANCE FUND)

	2009	2008
	\$	\$
Balance, beginning of period	836,865	778,287
Increase in required reserve	199,034	58,578
Balance, end of period	<u>1,035,899</u>	<u>836,865</u>

The claims fluctuation reserve represents part of the amounts refunded by the insurer which the Ordre must retain to absorb any future deficits in the life insurance plan. The amount of the reserve is determined by the insurer based on annual premiums collected and on administrative expenses relating to the plan. The amount of any future deficits that the Ordre may be required to absorb annually is limited to the balance of the reserve at the beginning of the period in which the deficit occurs.

13. DEFERRED REVENUE (INSURANCE FUND)

	2009	2008
	\$	\$
Balance, beginning of period	1,130,590	1,229,966
Amounts recognized as revenue for the period	(267,823)	(144,559)
(Loss) investment income	(30,297)	45,183
Balance, end of period	832,470	1,130,590

Investment losses represent the excess, over interest income of \$97,814 (\$114,655 in 2008), of a provision of \$59,115 (\$69,472 in 2008) for the money market mutual fund units and an investment loss of \$68,996 on corporate bonds.

14. COMMITMENTS

The Ordre has agreed to lease office space as of December 1, 2007 for a period of 15 years and 5 months ending April 30, 2023. The total amount to be paid from now until the end of the lease term, including a provision for taxes and operating costs, is \$13,074,953. Rental expense charged for the period is \$678,141 (\$569,215 in 2008). Amortization of the deferred lease inducement applied against lease payments is \$3,500 (\$88,122 in 2008).

Also, under two office equipment leases expiring in April 2011 and May 2013, the Ordre has commitments totalling \$392,892. The lease expense charged for the period is \$107,492 (\$99,973 in 2008).

The Ordre committed to make up, over a ten-year period commencing in 2007-2008, the accumulated deficit of the defined benefit pension plan. This deficit totals \$1,321,700 as determined by an actuarial valuation as at December 31, 2006.

Minimum payments for the next five years are as follows:

	Premises	Office equipment	Pension plan	Total commitments
	\$	\$	\$	\$
2010	86,167	104,963	201,840	1,167,970
2011	86,167	104,963	201,840	1,167,970
2012	86,167	91,483	201,840	1,154,490
2013	86,167	91,483	118,920	1,071,570
2014	915,284	-	118,920	1,034,204
	<u>4,359,952</u>	<u>392,892</u>	<u>843,360</u>	<u>5,596,204</u>

Notes to Financial Statements • March 31, 2009 > continued

15. OTHER REVENUE

	2009	2008
	\$	\$
Registrations for the Professional Education Program	409,844	367,887
Amounts recognized as revenue from Insurance Fund	267,823	144,559
Administrative fees	102,497	184,621
Other	13,285	43,477
	793,449	740,544

16. INTERFUND TRANSFERS

During the period, the Ordre internally restricted \$365,578 (\$315,019 in 2008) to finance a portion of regional group expenses, and \$453,138 for Professional Products and Services (PPS) for future activities. An amount of \$37,637 (\$4,724 in 2008) was funded from amounts restricted for the Professional Education Program (PEP), mainly for research and publication grants and for scholarships.

17. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2009	2008
	\$	\$
Receivables	(125,949)	662,034
Prepaid expenses	(109,183)	76,966
Accounts payable and accrued liabilities	320,252	(589,123)
Unearned revenue	342,125	1,037,065
	427,245	1,186,942

18. CAPITAL DISCLOSURES

The Ordre defines capital as being comprised of the accrued benefit liability, the claims fluctuation reserve, deferred revenue, capital assets, restricted and unrestricted balances and the Indemnity Fund balance. The Ordre is not subject to externally imposed requirements on capital, other than those related to its registered pension plan.

The Ordre's capital is made up of the following:

	2009	2008
	\$	\$
Accrued benefit liability	821,100	934,800
Claims fluctuation reserve	1,035,899	836,865
Deferred revenue	832,470	1,130,590
Capital assets	1,083,489	1,044,661
Unrestricted balance	1,317,511	1,628,292
Internal restrictions for the regional groups, the PEP, the PPS and the pension plan	2,430,796	1,919,466
Indemnity Fund	1,315,179	1,344,460
Total capital	8,836,444	8,839,134

The Ordre manages its investments to achieve its objectives with respect to the protection of the public and services provided to members. Management's objectives when managing capital are to match the structure of its capital to the underlying nature and term of the assets being financed, and to hold sufficient unrestricted assets to enable it to withstand unexpected financial events, in order to maintain stability in the financial structure. The Ordre seeks to minimize reliance on financial leverage and to maintain sufficient liquidity to enable it to meet its obligations as they become due. Funding of the accrued benefit liability is in compliance with the laws in effect respecting supplemental pension plans and with actuarial recommendations. The associated assets are invested under a policy designed to prudently ensure a market-related long-term return on investment consistent with the long-term nature of the accrued benefit obligations.

19. RELATED PARTY TRANSACTIONS

The Ordre des comptables agréés du Québec and the Foundation of Quebec Chartered Accountants are related organizations due to the degree of influence the Ordre has over the Foundation. The Foundation was incorporated under Part III of the *Companies Act* of Quebec. The Foundation's mission is to contribute to the advancement of education in the various fields of expertise of the CA profession and to promote academic excellence. A member of the Ordre's Board of Directors and a full-time employee sit on the board of directors of the Foundation, which has five directors. The Ordre offers free administrative support and office space to the Foundation of Quebec Chartered Accountants. Because their fair value is difficult to estimate, these services are not reflected in the financial statements.

20. COMPARATIVE FIGURES

Some of the 2008 statement of financial position and cash flow figures have been reclassified for consistency with the presentation adopted for 2009.

Additional information for the annual period ended March 31, 2009
Appendix A

	2009		2008
	Budget (Note 2) \$	General Fund \$	General Fund \$
EXPENSES			
MANAGEMENT AND EXTERNAL AFFAIRS			
Executive office	1,069,300	1,063,300	940,132
Strategy and external affairs	466,900	428,742	347,393
Communications	287,900	318,286	301,553
	1,824,100	1,810,328	1,589,078
SUPERVISION OF THE PROFESSION			
Legal affairs	531,900	491,746	490,438
Syndic	1,112,300	933,961	986,901
Professional inspection:			
• Direct costs	1,233,400	1,184,787	1,167,867
• Share of general expenses	130,800	132,611	93,786
Issuance of permits	75,900	77,342	88,349
Mandatory continuing education	92,100	107,386	136,381
Conciliation and arbitration of accounts	21,800	22,866	14,151
Review Committee	3,900	3,809	3,483
Disciplinary Council	21,800	9,089	14,353
Illegal practice of the profession	32,600	152,213	18,417
Professional liability insurance	34,300	1,906	29,941
Other regulatory activities	417,300	403,438	348,327
	3,708,100	3,521,154	3,392,394
MEMBER SERVICES			
Continuing education:			
• Direct costs	4,420,600	3,919,645	3,449,842
• Share of general expenses	195,100	195,199	183,153
Publications and professional products and services	984,800	763,810	746,233
Professional Products and Services Committee	15,000	10,848	11,271
Commercial products and services	120,700	103,531	110,496
Promotion	1,209,700	1,106,165	1,152,009
Events	907,800	773,746	946,281
	7,853,700	6,872,944	6,599,285

EXPENSES > continued

QUALIFICATION

Education
Education Committee
Uniform Evaluation
Promotional activities aimed at the next generation
Registration of candidates

ADMINISTRATION

Administration and finance
Human resources
Information technology
Office occupancy expenses
General expenses

CICA SERVICES

	2009		2008
	Budget (Note 2) \$	General Fund \$	General Fund \$
	971,700	924,189	866,990
	11,200	14,906	15,279
	813,800	833,106	687,509
	802,700	825,297	979,064
	98,700	99,164	80,491
	2,698,100	2,696,662	2,629,333
	1,445,600	1,546,088	1,464,062
	188,200	329,044	241,077
	632,700	692,838	621,070
	824,000	842,166	660,950
	574,900	583,749	686,993
	3,665,400	3,993,885	3,674,152
	7,215,400	7,151,949	7,062,587
	26,964,800	26,046,922	24,946,829