

CPA ENDOWMENT FUND OF ILLINOIS

2009 Annual Report



PAVING THE WAY

FOR TOMORROW'S CPAs



ILLINOIS CPA SOCIETY®



PRESIDENT'S LETTER

Dear Friends,

I am pleased to report this year's CPA Endowment Fund of Illinois accomplishments to our contributors and Illinois CPA Society members. Through the generosity of many CPAs and others, the Fund continues to increase its efforts to pave the way for future CPAs in Illinois despite unprecedented economic turmoil.

In this Annual Report you will learn about the worthwhile initiatives of the Fund this past year, including its support of the Student Ambassador Program, launched in August 2008. You will see how the Fund, now in its eleventh year, continues to be guided by the principles set forth by the Founders' Council pledge to give back to the profession that had been good to them, and to encourage others to do the same.

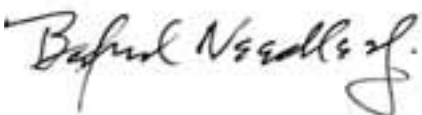
The mission of the CPA Endowment Fund is to assure a strong, talented and diverse CPA profession in Illinois. We do this by funding outreach efforts which encourage individuals to choose accounting as a career and become a CPA and by supporting students and new graduates, particularly those in need, through scholarships and other programs.

Although we have accomplished much, there is much still to be done. Steadily rising tuition, decreases in public and private financial aid and life challenges brought about by the recession have all created new hurdles for bright young people of all backgrounds striving to become CPAs. Obstacles continue to exist and have become more complex.

Undergraduate accounting enrollments have increased on the national level; however, student diversity has remained stagnant for the past five years. As the minority population in our country and state grows, the CPA profession must attract and be accessible to diverse talented individuals and encourage them to join our ranks. And, even as many of the brightest students are again seeking careers in our profession, we face a critical and growing shortage of PhDs in accounting, auditing and tax faculty in U.S. universities.

I hope you will share my pride in the achievements outlined in the following pages, and in the exceptional young people who, with your help, will make great contributions to our profession. And I hope you will join me in reaching out to your fellow CPAs to make the CPA Endowment Fund of Illinois our state's premier CPA philanthropy.

Best regards,



Belverd E. Needles, Jr., PhD, CPA



HIGHLIGHTS

Through their support of the CPA Endowment Fund, ILLINOIS CPAs ensure a strong future for the CPA profession. Their gifts fund programs to encourage young people to choose accounting as a career choice and pursue the CPA designation, and provide scholarships, mentorship and other support to help them on their journey.

Since the Fund began, ILLINOIS CPAs have

- Awarded **\$600,000 in tuition scholarships for 200 high-achieving accounting students** throughout the state
- Provided **\$100,000 in CPA Exam Awards for recent graduates** who need financial assistance to take the Exam
- Established the **Herman J. Neal Scholarship Fund**, which supports African American students who want to become CPAs
- Endowed the **Women's Executive Committee Advancing Women in Accounting Scholarship** to support future women CPA leaders
- Funded successful student outreach programs, including the **Student Ambassador Program**, to introduce young people to the value and reward of becoming a CPA

Most important, in our ever-changing global environment, ILLINOIS CPAs continue to give their support to ensure that we can respond to new challenges impacting the development, training and contributions of tomorrow's CPAs.

SCHOLARSHIPS

Today's accounting students face many hurdles on the road to becoming CPAs, including our precarious economic climate and the ever-increasing cost of higher education.

The CPA Endowment Fund of Illinois, working in cooperation with the Illinois CPA Society, raises philanthropic support to fund scholarships and programs that pave the way for tomorrow's CPAs.

Students who have dedicated their studies toward the CPA profession are able to complete their education with the help of tuition and textbook scholarships. CPA candidates preparing to sit for the Exam can receive awards to reimburse the NASBA fee.



ILLINOIS CPA SOCIETY ACCOUNTING SCHOLARSHIP

"I am both extremely honored and thankful to receive the scholarship from your organization! ...While attending college, the cost of fees, books and materials, and living expenses are daunting. The scholarship I am receiving from the Illinois CPA Society and the CPA Endowment Fund will be essential in helping me achieve my goals. After I graduate, I intend to begin my business career and contribute to the business community in Chicago."

Laura Spellman
Northern Illinois University

Bethany Kramer
University of Illinois-Urbana Champaign

"To let you know a little more about my background, I grew up on a grain farm in southern Illinois. Being awarded this scholarship has provided me the financial support I need to continue my education, and it has relieved some of the burden my family and I felt that accompanies paying for graduate school.

I hope to obtain a job near my hometown immediately upon graduation so I can remain close to my family and my agricultural community. I would like to work for a small business that prepares tax returns for individuals and farmers.

Again, I am very thankful for your contributions to provide support to young business leaders."



**WOMEN'S EXECUTIVE COMMITTEE
ADVANCING WOMEN IN ACCOUNTING**

The Endowment Fund also partners with Illinois universities to support students through: Success Through Scholarship (DePaul University), Marian Powers Accounting Scholarship (Chicago State University), Arthur R. Wyatt Accounting Scholarship (University of Illinois – Urbana Champaign) and Kenneth J. Hull and Jacqueline M. Hull/Illinois CPA Society Accounting Scholarship (Southern Illinois University).

Financial assistance provided through the CPA Endowment Fund of Illinois is essential to helping talented young individuals, many with limited financial means, become CPAs and ensuring that the profession continues to grow and thrive in Illinois.



CPA EXAM AWARD

“The CPA Exam Award from the CPA Endowment Fund of Illinois was so beneficial for me. It gave me the opportunity to really focus and the determination to start and finish the Exam as fast as I could.

Coming right out of school it isn't easy to come up with the amount of money needed to take the exam. Knowing there are people who believe so much in this profession that they are willing to put the money up for me to go take it really motivated me.”

Jason Parish
2008 CPA

“I would like to express my sincere gratitude to you for helping me finance my college education through the Herman J. Neal Scholarship and Success Through Scholarship program at DePaul University.

I am committed to achieving success in the profession, leadership involvement and community initiatives. This year, I founded a tutoring and beautification program in order to revitalize an inner city school. Since I am a first generation college student, I feel it is vital to expose others to opportunities and resources.

Thank you for making a sound investment in my future.”

Charlene Rhinhart
DePaul University

HERMAN J. NEAL SCHOLARSHIP



OUTREACH

The Fund and Society recognize that recruiting diverse students to the profession is as important as assisting students who have already decided to pursue accounting and the CPA designation. The following outreach programs represent major initiatives the Fund has supported this past year.

Student Ambassadors

In August 2008, the Illinois CPA Society Student Ambassador Program was launched in conjunction with the Endowment Fund to encourage students to consider the accounting profession and promote available scholarships, awards and other benefits. Student Ambassadors are now in place at five campuses – Bradley University, Eastern Illinois University, Illinois State University, Southern Illinois University and Western Illinois University. They present programs and interact with students and faculty to foster interest in being accountants and CPAs.

Teilla Bransford
Brandon Vagner
Southern Illinois University



“I act as a liaison between my campus and the Illinois CPA Society. I think the program is a great way to promote the CPA designation from inside the universities. I love promoting accounting as a career and I think it is important to get information out to other accounting majors. For instance, many students did not even know about the scholarships offered through the Society and Endowment Fund.”

Heather Koertge
Eastern Illinois University

STUDENT AMBASSADOR PROGRAM

Mary T. Washington Wylie Scholars and Fellows

Mary T. Washington Wylie was our country's 13th African American CPA, and the first African American female to attain her license. Today, accounting firms, CPA leaders and friends seek to honor her legacy through an exciting new pilot initiative to increase the number of underrepresented minorities in the CPA profession.

The Mary T. Washington Wylie Scholars program will promote the CPA credential to students at two-year colleges interested in furthering their education in accounting and provide the support and mentorship they need to enroll in a four-year college and ultimately become a CPA. Mary T. Washington Wylie Fellows are new CPAs and CPA candidates who will serve as role models for the scholars and participate in leadership development initiatives to further their CPA profession and promote diversity.

The Mary T. Washington Wylie Opportunity Fund of the CPA Endowment Fund of Illinois has received leadership gifts from **Washington, Pittman & McKeever, Ernst & Young LLP, Frederick Ford / Draper and Kramer, KPMG LLP and Deloitte LLP**. Says Opportunity Fund Founder, Lester H. McKeever, Jr., "I thank our early supporters for helping to launch a quality program. Now, I ask other firms, companies and CPAs to join with us to ensure its success."



Mary T. Washington Wylie

"It's very important that we find a way to let all of our citizens have an opportunity to succeed. And that is the role of the CPA Endowment Fund. To reach out and try to embrace those diverse young people and encourage them to join our profession."

Lester H. McKeever, Jr., CPA
*Managing Principal,
 Washington, Pittman & McKeever*



DONORS

Through their generous support, Illinois CPA Society members, along with their firms, companies, foundations and friends, are coming together to ensure a vital future for the CPA profession in Illinois.

We extend special recognition this year to our President's Pavers. President's Pavers are the leading annual donors of the CPA Endowment Fund of Illinois. Through their annual gifts of \$1,000 or more, Pavers express their ongoing commitment to 'Paving the way for Tomorrows CPAs' and receive special benefits.

The CPA Endowment Fund of Illinois gratefully acknowledges the following donors for their support:

(List reflects contributions and new pledges from June 1, 2008 - September 30, 2009)

\$100,000

Deloitte LLP
KPMG LLP

\$25,000 +

Ernst & Young LLP

\$10,000 +

Chua Family Charitable
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\$5,000 +

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\$2,500 +

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Sikich LLP
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\$500 +

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Charles F. Kuyk III, CPA
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Judith H. Meguire, CPA
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\$250 +

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Gifts up to \$250

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Ray Whittington, CPA
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Gifts in memory of: Arthur Morrison, CPA, Eleanor Cook, Barbara Hirsch, Albert O. Eck, Sr.

Gifts in honor of: Genevieve Burns, CPA, Vanessa Salinas, CPA, Ernest R. Wish, CPA, Marguerite V. Walker

Give back to the profession that's been good to you...



WAYS TO GIVE

Support the CPA Endowment Fund of Illinois with:

- Gifts of cash, including multi-year pledges
- Gifts of appreciated property
- Gifts from donor advised funds
- Direct gifts from an IRA
- Memorial or gifts in honor of a cherished family member or mentor
- An online gift at www.icpas.org/endowment.htm

Join with us to support tomorrow's CPAs

Julie Lenner
Director of Development
312.993.0407, ext. 290
lennerj@icpas.org

FINANCIALS

STATEMENTS OF FINANCIAL POSITION

As of and for the years ending May 31	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 4,325	\$ -
Contributions receivable	406,270	430,618
Investments	2,261,073	2,844,834
Property and equipment and other	12,932	7,591
Total assets	<u>\$ 2,684,600</u>	<u>\$ 3,283,043</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 5,786	\$ -
Due to affiliates	75,674	-
Total liabilities	<u>81,460</u>	<u>-</u>
NET ASSETS		
Unrestricted		
Undesignated	42,294	529,603
Board Designated	20,000	-
Total unrestricted net assets	<u>62,294</u>	<u>529,603</u>
Temporarily restricted	149,840	414,089
Permanently restricted	2,391,006	2,339,351
Total net assets	<u>2,603,140</u>	<u>3,283,043</u>
Total liabilities and net assets	<u>\$ 2,684,600</u>	<u>\$ 3,283,043</u>

STATEMENTS OF ACTIVITIES

UNRESTRICTED NET ASSETS

Unrestricted revenue, support and releases		
Contributions	\$ 100,569	\$ 26,146
Investment income (loss)	(358,871)	2,287
In-kind revenue	202,091	210,113
Net assets released from restrictions	41,735	58,724
Total unrestricted revenue, support and releases	<u>(14,476)</u>	<u>297,270</u>
Expenses		
Program services	299,911	240,544
General and administrative	57,223	38,827
Fundraising	95,699	64,889
Total expenses	<u>452,833</u>	<u>344,260</u>
Change in unrestricted net assets	(467,309)	(46,990)

TEMPORARILY RESTRICTED NET ASSETS

Contributions	30,573	8,651
Investment loss	(253,087)	(5,852)
Net assets released from restrictions	(41,735)	(58,724)
Change in temporarily restricted net assets	<u>(264,249)</u>	<u>(55,925)</u>

PERMANENTLY RESTRICTED NET ASSETS

Contributions	41,655	195,616
Investment income	10,000	10,000
Change in permanently restricted net assets	<u>51,655</u>	<u>205,616</u>
Net assets at Beginning of Year	<u>3,283,043</u>	<u>3,180,342</u>
Net assets at End of Year	<u>\$ 2,603,140</u>	<u>\$ 3,283,043</u>

CPA Endowment Fund Celebrates 10th Anniversary

Endowment Fund Founders, Board members, Society leaders, donors and friends gathered at the Hilton Chicago in May 2009 to recognize 10 years of 'Paving the Way for Tomorrow's CPAs.' The reception was held in tandem with the Illinois CPA Society New CPA Banquet, which welcomed 329 new CPAs to the profession.



Annual Accounting Education Summit

The CPA Endowment Fund of Illinois, through the Jeannette Cochrane Fund, was the lead sponsor of "Innovations in Accounting Education: Implications of IFRS" held at the Standard Club in April. More than 100 educators and practitioners discussed how to best prepare students and new CPAs for the pending adoption of new global standards.



Founders' Council Chair Ernie Wish, with wife Mimi and DePaul Success Through Scholarship winners Tanya Sweet and Emily Sung.



Founders' Council member Ken Hull with wife Jacqueline and SIU Student Ambassador and Hull Scholarship winner Teilla Bransford.

LEADERSHIP GIVING

- Join the President's Pavers, the Fund's leadership annual giving society. Pavers receive special recognition and benefits for their support.
- Become a member of the Legacy Circle by establishing a charitable gift annuity or remembering the Fund in your estate plans.
- Express your commitment to the profession by establishing a named scholarship to support future CPAs.

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