

**ASSOCIATION CANADIENNE DES AGENTS DE
COMMUNICATION EN ÉDUCATION/
CANADIAN ASSOCIATION OF COMMUNICATORS
IN EDUCATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2012

**ASSOCIATION CANADIENNE DES AGENTS DE
COMMUNICATION EN ÉDUCATION/
CANADIAN ASSOCIATION OF COMMUNICATORS
IN EDUCATION
FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Association Canadienne des Agents de Communication en Éducation /
Canadian Association of Communicators in Education

We have audited the accompanying financial statements of Association Canadienne des Agents de Communication en Éducation / Canadian Association of Communicators in Education, which comprise the balance sheet as at December 31, 2012, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association Canadienne des Agents de Communication en Éducation / Canadian Association of Communicators in Education as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Association Canadienne des Agents de Communication en Éducation / Canadian Association of Communicators in Education adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at December 31, 2011 and January 1, 2011, and the statements of operations and changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Other Matter

The financial statements of Association Canadienne des Agents de Communication en Éducation / Canadian Association of Communicators in Education for the year ended December 31, 2011, were audited by another auditor who expressed an unmodified opinion on those statements on August 16, 2012.

Fuller Landaw LLP

Montreal, August 22, 2013

¹ CPA auditor, CA, public accountancy permit No. A118902

**ASSOCIATION CANADIENNE DES AGENTS DE COMMUNICATION EN ÉDUCATION /
CANADIAN ASSOCIATION OF COMMUNICATORS IN EDUCATION
BALANCE SHEET
AS AT DECEMBER 31, 2012**

	2012 \$	2011 \$	As at January 1, 2011 \$
ASSETS			
Current			
Cash	84,401	89,986	74,602
Short-term investments (Note 4)	11,952	12,003	11,882
Accounts receivable	2,000	-	-
Prepaid expenses	7,594	5,921	9,526
	105,947	107,910	96,010
LIABILITIES			
Current			
Accounts payable and accrued liabilities	4,500	5,362	3,724
Deferred revenue	14,876	13,730	20,860
	19,376	19,092	24,584
NET ASSETS			
Unrestricted	86,571	88,818	71,426
	105,947	107,910	96,010

On behalf of the Board,

_____, Director

_____, Director

**ASSOCIATION CANADIENNE DES AGENTS DE COMMUNICATION EN ÉDUCATION /
CANADIAN ASSOCIATION OF COMMUNICATORS IN EDUCATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
	\$	\$
Revenues		
Conference	87,354	65,088
Membership fees	21,025	27,725
Bravo	1,050	2,350
Interest	80	121
	109,509	95,284
Expenses		
Conference	67,638	49,634
General	20,971	12,471
Executive meeting	13,678	12,191
Audit and accounting	7,703	3,295
Workshop	1,766	301
	111,756	77,892
Excess (deficiency) of revenues over expenses	(2,247)	17,392
Net assets, beginning of year	88,818	71,426
Net assets, end of year	86,571	88,818

**ASSOCIATION CANADIENNE DES AGENTS DE COMMUNICATION EN ÉDUCATION /
CANADIAN ASSOCIATION OF COMMUNICATORS IN EDUCATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses	(2,247)	17,392
Net change in non-cash working capital items	(3,389)	(1,887)
	(5,636)	15,505
Investing activity		
Decrease (increase) in short-term investments	51	(121)
Increase (decrease) in cash and cash equivalents	(5,585)	15,384
Cash and cash equivalents, beginning of year	89,986	74,602
Cash and cash equivalents, end of year	84,401	89,986

Cash and cash equivalents consist of cash.

**ASSOCIATION CANADIENNE DES AGENTS DE COMMUNICATION EN ÉDUCATION /
CANADIAN ASSOCIATION OF COMMUNICATORS IN EDUCATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

1. Statutes of incorporation and nature of activities

The Association was incorporated under the laws of Canada as a not-for-profit organization in 1988 and its primary goal is to encourage and enhance communications in education, by holding a national conference, regional workshops and providing networking opportunities for its members across Canada. The Association also establishes and maintains standards and promotes a code of ethics to contribute to improving communication policies and practices in education.

The Association qualifies as a not-for-profit organization as defined in the Income Tax Act and as such is exempt from income taxes.

2. Impact of the change in the basis of accounting

The Association has elected to apply the standards in Part III of the CICA Handbook - Accounting, Canadian accounting standards for not-for-profit organizations.

These financial statements are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations, hereafter referred to as "ASNFPO".

The financial statements for the year ended December 31, 2012 were prepared in accordance with the accounting principles described and the provisions set out in Section 1501, First-time Adoption by not-for-profit organizations, of CICA Handbook - Accounting for first-time adopters of this basis of accounting.

The adoption of this new basis of accounting had no impact on the excess of revenues over expenses of the Association for the year ending December 31, 2011, nor on the net assets at the transition date, being January 1, 2011.

3. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

Cash and cash equivalents

The Association's policy is to disclose bank balances under cash and cash equivalents.

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**ASSOCIATION CANADIENNE DES AGENTS DE COMMUNICATION EN ÉDUCATION /
CANADIAN ASSOCIATION OF COMMUNICATORS IN EDUCATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

3. Significant accounting policies (continued)

Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for short-term investments in guaranteed investment certificates (GIC's) which the Association chose to designate to be measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include short-term investments.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Revenue recognition

Membership fees are set by the Board of Directors and are recognized as revenue in the fiscal year to which they relate. Membership fees received in advance for the following fiscal year are recorded as deferred revenue. Conference revenue is recognized when the conference occurs. Revenue received before the conference is recorded as deferred revenue. Other revenues are recognized when services are rendered.

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**ASSOCIATION CANADIENNE DES AGENTS DE COMMUNICATION EN ÉDUCATION /
CANADIAN ASSOCIATION OF COMMUNICATORS IN EDUCATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

3. Significant accounting policies (continued)

Contributed services

Volunteers contribute many hours per year to the Association. Due to the difficulty of determining the fair value of contributed services, they are not recognized in the financial statements.

The Association receives free rental of office space, however, the value of this rent is difficult to estimate, and are therefore is not included in the financial statements.

4. Short-term investments

The short-term investments consist of two GIC's bearing interest at rates of 0.80% and 1.50% with maturity terms of one year.

5. Financial instruments

Risks and concentration

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Association's risk exposure at the balance sheet date being December 31, 2012

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed interest rate financial instruments which consist of short term investments. Fixed-rate instruments subject the entity to a fair value risk.