

**CASAE - ACEEA INC. CANADIAN ASSOCIATION FOR THE
STUDY OF ADULT EDUCATION**

FINANCIAL STATEMENTS

MARCH 31, 2019



INDEPENDENT AUDITORS' REPORT

To the Members of
CASAE - ACEEA Inc. Canadian Association for the Study of Adult Education

Opinion

We have audited the financial statements of CASAE - ACEEA Inc. Canadian Association for the Study of Adult Education (the "Association"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2019, 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.

Basis for Opinion

The Association derives revenue from royalties, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to royalty revenue, net revenue and cash flows from operations for the years ended March 31, 2019 and March 31, 2018, current assets and net assets as at March 31, 2019 and March 31, 2018. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.



2.

INDEPENDENT AUDITORS' REPORT (Cont'd.)

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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MCCAY DUFF LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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3.

INDEPENDENT AUDITORS' REPORT (Cont'd.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
September 30, 2019.

CASAE - ACEEA INC.
CANADIAN ASSOCIATION FOR THE STUDY OF ADULT EDUCATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

		ASSETS	
		<u>2019</u>	<u>2018</u>
CURRENT			
Cash		\$ 41,193	\$ 51,340
Accounts receivable		4,016	3,522
Prepaid expenses		<u>2,848</u>	<u>1,507</u>
		<u><u>\$ 48,057</u></u>	<u><u>\$ 56,369</u></u>
		LIABILITIES	
CURRENT			
Accounts payable and accrued liabilities		\$ 3,542	\$ 3,346
Deferred revenue		<u>427</u>	<u>820</u>
		3,969	4,166
		NET ASSETS	
NET ASSETS		<u>44,088</u>	<u>52,203</u>
		<u><u>\$ 48,057</u></u>	<u><u>\$ 56,369</u></u>

**Approved on behalf of the Board of
Directors:**

Director

Director

**CASAE - ACEEA INC.
CANADIAN ASSOCIATION FOR THE STUDY OF ADULT EDUCATION**

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
BALANCE - BEGINNING OF YEAR	\$ 52,203	\$ 52,648
Net revenue (expenses) for the year	(8,115)	(445)
BALANCE - END OF YEAR	\$ <u>44,088</u>	\$ <u>52,203</u>

CASAE - ACEEA INC.
CANADIAN ASSOCIATION FOR THE STUDY OF ADULT EDUCATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
REVENUE		
Conference	\$ 14,067	\$ 15,083
Membership fees	9,360	12,900
Royalties	2,413	1,563
CJSAE	1,273	621
Charitable donations	<u>380</u>	<u>320</u>
	27,493	30,487
EXPENSES		
Conference	10,583	8,313
Secretariat fees (note 4)	10,394	10,394
Professional fees	3,630	3,646
Conference travel support	3,000	2,493
Board of directors and committees	2,774	2,010
Bank charges	1,518	1,396
Memberships	1,268	1,148
Publications and web site	1,147	-
Insurance	810	810
Translation	286	238
Supplies and postage	198	230
Lifetime Achievement Award	<u>-</u>	<u>254</u>
	<u>35,608</u>	<u>30,932</u>
NET REVENUE (EXPENSES) FOR YEAR	<u><u>\$ (8,115)</u></u>	<u><u>\$ (445)</u></u>

**CASAE - ACEEA INC.
CANADIAN ASSOCIATION FOR THE STUDY OF ADULT EDUCATION**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenses) for the year	\$(8,115)	\$(445)
Changes in non-cash working capital		
- accounts receivable	(494)	(277)
- prepaid expenses	(1,341)	(919)
- accounts payable and accrued liabilities	196	(3,385)
- deferred revenue	(393)	740
CHANGE IN CASH POSITION DURING THE YEAR	(10,147)	(4,286)
Cash position - beginning of year	<u>51,340</u>	<u>55,626</u>
CASH POSITION - END OF YEAR	<u><u>\$ 41,193</u></u>	<u><u>\$ 51,340</u></u>

CASAE - ACEEA INC.
CANADIAN ASSOCIATION FOR THE STUDY OF ADULT EDUCATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

1. ORGANIZATION

CASAE - ACEEA Inc. (the "Association") was incorporated under Part II of the Canada Corporations Act. During the 2015 fiscal year the Association received certification of continuance under the Canada Not-for-Profit Corporations Act. The objective of the Association is to promote the study and research of adult education. The Association is registered as a tax-exempt charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in deferred revenue. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection reasonably assured.

Membership fee, CJSAE revenue and royalties are recognized as revenue in the year in which they relate. If membership fees or CJSAE revenue are received in advance, for the subsequent year, this revenue is deferred.

Conference revenues are recognized in the year that the related conference is held. If received in advance, for a future conference, this revenue is deferred.

(b) Volunteer Services

The Association receives the services of volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue (expenses) as appropriate in the year they become known.

CASAE - ACEEA INC.
CANADIAN ASSOCIATION FOR THE STUDY OF ADULT EDUCATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Financial Instruments

The Association's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue (expenses). A previously recognized write-down can be reversed to the extent of the improvement.

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is the Board of Director's opinion that the Association is not exposed to significant interest rate, liquidity, market, currency or credit risks arising from its financial instruments. There has been no change to the risk exposure from the prior year.

4. SECRETARIAT FEES

Administrative and secretarial services are provided by the Canadian Society for the Study of Education (CSSE). An annual fee is paid each year for the services.