

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Financial Statements
For the Years Ended December 31, 2008
And Auditor's Report

AUDITOR'S REPORT

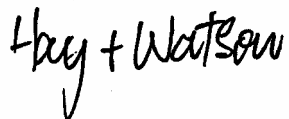
To the Members of
African Canadian Continuing Education Society

We have audited the statement of financial position of African Canadian Continuing Education Society as at December 31, 2008 and the statements of operations and changes in operating surplus and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 presentation.

In common with many charitable organizations, the Society derives revenues from sources which are not susceptible to complete audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the accounts of the Society and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and operating surplus.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Vancouver, B.C.
March 23, 2009

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Statement of Financial Position
December 31, 2008

	2008	2007
ASSETS		
Current		
Cash	\$ 23,176	\$ 67,233
Accounts receivable	37,341	25,762
Prepaid funds to Kenya	79,847	-
	140,364	92,995
Equipment (Note 3)	2,525	3,157
	\$ 142,889	\$ 96,152
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 8,324	\$ 4,730
NET ASSETS		
Operating Surplus	134,565	91,422
	\$ 142,889	\$ 96,152

APPROVED BY THE BOARD

_____ Director

_____ Director

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Statement of Operations and Changes in Operating Surplus
Year Ended December 31, 2008

	2008	2007
REVENUE		
CIDA – Intern	\$ 8,429	\$ 14,170
CIDA – Kenya	255,411	226,887
Donations and fundraising	372,353	362,674
Grants	53,224	30,709
	689,417	635,440
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EXPENSES		
Operating expenses (Schedule 1)	646,274	632,212
EXCESS OF REVENUE OVER EXPENSES	43,143	2,228
OPERATING SURPLUS, Beginning of Year	91,422	89,194
OPERATING SURPLUS, End of Year	\$ 134,565	\$ 91,422

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Statement of Cash Flows
Year Ended December 31, 2008

	2008		2007
Cash Flows From (Used In) Operating Activities			
Excess of revenue over expenses	\$ (36,703)	\$	2,228
Item not affecting cash:			
Amortization	631		493
	(36,072)		2,720
Changes in non-cash working capital items:			
Accounts receivable	(11,580)		(21,410)
Accounts payable	3,595		815
	(44,057)		(17,875)
Cash Flows Used In Investing Activities			
Purchase of equipment	-		(2,305)
(DECREASE) INCREASE IN CASH	(44,057)		(20,180)
CASH, Beginning of Year	67,233		87,412
CASH, End of Year	\$ 23,176	\$	67,233

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Notes to Financial Statements
December 31, 2008.

1. OPERATIONS

The Society was incorporated on October 5, 1993 under the Canadian Corporations Act. The Society's primary activity is to provide funding for the continuing education of children and youth in the Kakamega District of Kenya. The Society is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

The Society receives a significant portion of its revenue from the Government of Canada and may not be able to maintain its current level of operations should this funding be significantly reduced or ended.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for non-profit organizations, which include the following significant policies:

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and highly liquid short-term interest bearing securities with maturity at the date of purchase of ninety days or less.

Revenue Recognition

The Society follows the deferral method of accounting for 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. Donation revenue and fundraising revenue are recognized when the funds are received

Equipment

Equipment is recorded at cost less accumulated amortization, and is amortized using the declining balance method at the annual rate of 20%.

Future Accounting Changes

The Accounting Standards Board of the Canadian Institute of Chartered Accountants ratified a strategic plan that will result in Canadian GAAP, as used by public companies, evolving and being converged with International Financial Reporting Standards ("IFRS") over a transitional period currently expected to be completed by 2011. The International Accounting Standards Board also has projects currently under way which should result in new pronouncements which will be included in the convergence process.

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Notes to Financial Statements
December 31, 2008.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Society intends to conduct a detailed assessment of the requirements of the transition to IFRS, with the intention of identifying the timing of the implementation of the transition, major differences in accounting policies and selecting the policies which are appropriate for the Company, identifying the appropriate disclosure in financial statements prepared under IFRS and developing an implementation plan.

Financial Assets and Financial Liabilities

During the year the Society adopted recommendations for the recognition, measurement and disclosure of financial instruments, hedges and comprehensive income described in the Canadian Institute of Chartered Accountants Handbook Section 1530 *Comprehensive Income*, Section 1535 *Capital Disclosures*, Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation*.

The Society's financial assets and financial liabilities are classified as:

Accounts receivable are classified as "loans and receivables". They are measured at amortized cost, and the recorded amounts at December 31, 2008 approximate fair value.

Accounts payable and accrued liabilities are classified as "other financial liabilities." They are measured at amortized cost and the recorded amounts at December 31, 2008, approximate fair value.

Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability are added to the carrying amount of the financial asset or financial liability, and are amortized to operations using the effective interest rate method.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affects the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Society may undertake in the future, actual results may ultimately differ from the estimates. Significant estimates used in these financial statements include, among others, the recoverability of accounts receivable and the future benefits to be obtained from the use of equipment.

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Notes to Financial Statements
December 31, 2008.

3. EQUIPMENT

	2008	2007
Equipment	\$ 3,920	\$ 3,920
Accumulated depreciation	(1,395)	(763)
	\$ 2,525	\$ 3,157

4. FINANCIAL INSTRUMENTS

The Society's activities expose it to a variety of financial risks, which include credit risk, foreign exchange risk, interest rate risk and liquidity risk. The Society's risk management program focuses on the unpredictability of financial markets and seeks to maximize the Society's ability to meet its mandate.

(a) Credit rate risk

Credit risk is the risk of financial loss to the Society if a counterpart to a financial instrument fails to meet its contractual obligations. This risk arises mainly from its cash and cash equivalent instruments. The Society limits its exposure to credit risk by only depositing cash with a major Canadian financial institution and only investing in short-term, highly liquid instruments issued by major Canadian financial institutions.

(b) Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates will affect the future cash flows from the Society to its African partners, reducing amounts available for the delivery of programs in Africa. The Society manages this risk through timing of the conversion of currency to the best exchange rates available.

(c) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the fair value or future cash flows of the Society's financial instruments. The Society's interest rate risk is expected to be minimal as its investments will be in short-term highly liquid instruments.

(d) Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet obligations associated with financial liabilities and commitments as they come due. The Society's overall exposure to liquidity risk is not material.

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Notes to Financial Statements
December 31, 2008.

5. CAPITAL MANAGEMENT

The Society considers its capital to be its operating surplus, which is used to obtain grants and other sources of funding to continue to provide funding for the continuing education of children and youth in the Kakamega District of Kenya.

The Society obtains the funds which go into its operating surplus from the portion of grants allocated to administrative activities and from specific fundraising for this purpose.

Schedule 1

AFRICAN CANADIAN CONTINUING EDUCATION SOCIETY

Operating Expenses
Years Ended December 31, 2008

	2008	2007
Africa (Kenya)		
Funds to Kenya	\$ 465,110	\$ 470,000
Project Kenya		
Administration	153	447
Monitoring and evaluating	7,371	8,445
Wages	41,911	38,551
	49,435	46,996
Project ACCES		
Administration	21,026	19,258
Amortization	631	493
Audit fees	6,550	4,405
Fundraising	11,989	14,412
Public engagement	44,794	19,607
Wages	41,911	38,551
	126,901	96,726
Project Intern		
Administration, allowance and travel	4,828	18,045
GRAND TOTAL	\$ 646,274	\$ 632,214