

CANADIAN ASSOCIATION FOR CO-OPERATIVE
EDUCATION
(ASSOCIATION CANADIENNE DE L'ENSEIGNEMENT
CO-OPERATIF)
FINANCIAL STATEMENTS
AUGUST 31, 2006

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AUDITORS' REPORT

**To the Members of
Canadian Association for Co-operative Education
(Association Canadienne de L'enseignement Co-operatif)**

We have audited the balance sheet of Canadian Association for Co-operative Education (Association Canadienne de L'enseignement Co-operatif) as at August 31, 2006 and the statements of operations and accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 Association as at August 31, 2006 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

Toronto, Ontario
September 21, 2006

CANADIAN ASSOCIATION FOR CO-OPERATIVE EDUCATION
 (ASSOCIATION CANADIENNE DE L'ENSEIGNEMENT CO-OPERATIF)

BALANCE SHEET
 AS AT AUGUST 31, 2006

	2006	2005 (Note 7)
ASSETS		
Cash and short term investments, note 4	\$ 165,003	\$ 186,440
Restricted cash, note 5	10,057	5,000
Conference advance	10,000	5,000
Prepaid expenses and sundry assets	420	420
Accounts receivable	5,196	-
GST rebate	<u>1,111</u>	<u>2,944</u>
	<u>\$ 191,787</u>	<u>\$ 199,804</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 5,787	\$ 5,610
Deferred revenue, note 6	<u>7,500</u>	<u>-</u>
	<u>13,287</u>	<u>5,610</u>
ACCUMULATED SURPLUS		
Unrestricted	168,443	189,194
Restricted for endowment purposes, note 5	<u>10,057</u>	<u>5,000</u>
	<u>178,500</u>	<u>194,194</u>
	<u>\$ 191,787</u>	<u>\$ 199,804</u>

Approved:

See accompanying notes to the financial statements

CANADIAN ASSOCIATION FOR CO-OPERATIVE EDUCATION
(ASSOCIATION CANADIENNE DE L'ENSEIGNEMENT CO-OPERATIF)

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED AUGUST 31, 2006

	2006	2005 (Note 7)
Revenue		
Membership dues	\$ 63,145	\$ 67,250
Interest	3,600	2,585
Biennial conference, net of related expenses	2,000	9,694
Accreditation and manuals	1,400	300
Sponsorships	<u>1,000</u>	<u>1,000</u>
	<u>71,145</u>	<u>80,829</u>
Expenses		
Salaries	48,868	47,566
Rent	7,520	6,567
Meetings	7,329	1,802
Strategic planning	6,438	-
Communications projects		
Accreditation and manuals	3,827	685
By-laws/Governing documents	2,986	-
Awards	2,795	3,286
Membership	1,602	533
Annual general meeting	3,499	918
Professional fees	3,002	3,291
Telephone	1,616	1,615
Web development and support	1,158	6,324
Equipment, software and training	696	696
Office supplies and general	448	394
Bank charges and interest	112	307
Postage and courier	<u>-</u>	<u>76</u>
	<u>91,896</u>	<u>74,060</u>
Excess of revenue over expenditures (expenditures over revenue)	(20,751)	6,769
Accumulated surplus at beginning of year	194,194	182,425
Endowment contributions during the year	5,000	5,000
Investment income earned on endowment fund	<u>57</u>	<u>-</u>
Accumulated surplus at end of year	<u>\$ 178,500</u>	<u>\$ 194,194</u>

See accompanying notes to the financial statements

CANADIAN ASSOCIATION FOR CO-OPERATIVE EDUCATION
(ASSOCIATION CANADIENNE DE L'ENSEIGNEMENT CO-OPERATIF)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2006

	2006	2005
Cash flow from operating activities		
Cash received from members and activities	\$ 81,024	\$ 85,244
Cash paid to suppliers and employee	(101,061)	(74,071)
Interest received	<u>3,657</u>	<u>2,585</u>
	<u>(16,380)</u>	<u>13,758</u>
Increase (decrease) in cash and short term investments during year	(16,380)	13,758
Cash and short term investments at beginning of year	<u>191,440</u>	<u>177,682</u>
Cash and short term investments at end of year	<u>\$ 175,060</u>	<u>\$ 191,440</u>
Represented by:		
Unrestricted cash	\$ 165,003	\$ 186,440
Restricted cash	<u>10,057</u>	<u>5,000</u>
	<u>\$ 175,060</u>	<u>\$ 191,440</u>

See accompanying notes to the financial statements

CANADIAN ASSOCIATION FOR CO-OPERATIVE EDUCATION
(ASSOCIATION CANADIENNE DE L'ENSEIGNEMENT CO-OPERATIF)

NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2006

1. PURPOSE OF THE ORGANIZATION

The Canadian Association for Co-operative Education is a national non-profit organization formed to promote the expansion of high quality co-operative education in Canadian post-secondary institutions.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized as follows:

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Membership fees, contributions and operating grants are included in revenue in the year in which they are received or receivable, with the exception that amounts relating to a specific future period are deferred and included in revenue in that later period. Endowment contributions are recognized as direct increases in accumulated surplus.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Property and Equipment

Property and equipment are expensed in the financial statements as incurred.

Contributed Services

Volunteers contribute time to assist the Canadian Association for Co-operative Education in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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 date of the financial statements and the reported amounts of revenue and expenditures for the period. Actual results could differ from these estimates.

3. INCOME TAX STATUS

The Canadian Association for Co-operative Education is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

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NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2006

4. CASH AND SHORT TERM INVESTMENTS

Cash and short term investments consist of the following:

	2006	2005
Cash	\$ 30,958	\$ 25,844
Short term deposits	<u>134,045</u>	<u>160,596</u>
	<u>\$ 165,003</u>	<u>\$ 186,440</u>

5. RESTRICTED CASH & SURPLUS RESTRICTED FOR ENDOWMENT PURPOSES

Of the balance, \$10,000 is subject to externally imposed restrictions stipulating that the resources be maintained permanently for Emery-Dufault Award. The balance of \$57 is the investment income earned on the \$10,000 that is restricted for the future award payments.

6. DEFERRED REVENUE

	2006	2005
Membership revenue received in advance	\$ 6,500	\$ -
Deferred contributions:		
Dr. Albert S. Barber Award	500	-
Dr. Graham Branton Research Award	<u>500</u>	<u>-</u>
	<u>\$ 7,500</u>	<u>\$ -</u>

7. PRIOR YEAR FIGURES

Of the total revenue from sponsorships, \$5,000 has been reclassified as endowment contributions for Emery-Dufault Award to reflect the restriction imposed by the sponsor through an agreement.

Accrual for GST rebate was reclassified from accounts payable and accrued liabilities as current assets for proper classification according to the nature of this item.

8. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and short term investments, conference advance, accounts receivable, prepaid expenses and sundry assets and accounts payable. Unless otherwise noted, it is members' opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.