

CANADIAN ASSOCIATION FOR CO-OPERATIVE  
EDUCATION

(ASSOCIATION CANADIENNE DE L'ENSEIGNEMENT  
CO-OPERATIF)  
FINANCIAL STATEMENTS  
AUGUST 31, 2007

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A MEMBER OF DFK INTERNATIONAL

## 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, 2007 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Segal LLP*

Chartered Accountants  
Licensed Public Accountants

Toronto, Ontario  
October 28, 2007

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

BALANCE SHEET  
AS AT AUGUST 31, 2007

	2007	2006
<b>ASSETS</b>		
Cash and short term investments, note 4	\$ 132,567	\$ 165,003
Restricted cash, note 5	15,420	10,057
Prepaid expenses and sundry assets	7,420	420
GST rebate	2,258	1,111
Accounts receivable	-	5,196
Conference advance	-	10,000
	<u>\$ 157,665</u>	<u>\$ 191,787</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 26,725	\$ 5,786
Deferred revenue, note 6	<u>1,250</u>	<u>7,500</u>
	<u>27,975</u>	<u>13,286</u>
<b>ACCUMULATED SURPLUS</b>		
Unrestricted	114,270	168,444
Restricted for endowment purposes, note 5	<u>15,420</u>	<u>10,057</u>
	<u>129,690</u>	<u>178,501</u>
	<u>\$ 157,665</u>	<u>\$ 191,787</u>

Approved:

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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, 2007

	2007	2006
<b>Revenue</b>		
Membership dues	\$ 59,500	\$ 63,145
Interest	4,370	3,600
Biennial conference, net of related expenses	2,736	2,000
Sponsorships and awards	1,500	1,000
Accreditation and manuals	700	1,400
	<u>68,806</u>	<u>71,145</u>
<b>Expenses</b>		
Salaries	53,293	48,868
Strategic planning	11,103	6,438
Rent	7,649	7,519
Meetings	4,773	6,876
Professional fees	4,605	3,002
Committee projects		
Anniversary celebrations	17,550	-
Research	6,048	453
Awards	3,989	2,795
Accreditation	3,283	3,827
Membership	1,121	1,602
By-laws/Governing documents	-	2,986
Office supplies and general	2,448	448
Telephone	1,603	1,616
Web development and support	1,564	1,158
Marketing	1,412	-
Annual general meeting	1,370	3,499
Equipment, software and training	984	696
Bank charges and interest	185	112
	<u>122,980</u>	<u>91,895</u>
Excess of expenditures over revenue	(54,174)	(20,750)
Accumulated surplus at beginning of year	178,501	194,194
Endowment contributions during the year	5,000	5,000
Investment income earned on endowment fund	363	57
<b>Accumulated surplus at end of year</b>	<u>\$ 129,690</u>	<u>\$ 178,501</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, 2007

	2007	2006
<b>Cash flow from operating activities</b>		
Cash received from members and activities	\$ 69,132	\$ 81,024
Cash paid to suppliers and employee	(100,938)	(101,061)
Interest received	<u>4,733</u>	<u>3,657</u>
	<u>(27,073)</u>	<u>(16,380)</u>
Decrease in cash and short term investments during year	(27,073)	(16,380)
Cash and short term investments at beginning of year	<u>175,060</u>	<u>191,440</u>
Cash and short term investments at end of year	<u>\$ 147,987</u>	<u>\$ 175,060</u>
Represented by:		
Unrestricted cash	\$ 132,567	\$ 165,003
Restricted cash	<u>15,420</u>	<u>10,057</u>
	<u>\$ 147,987</u>	<u>\$ 175,060</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, 2007

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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.

CANADIAN ASSOCIATION FOR CO-OPERATIVE EDUCATION  
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NOTES TO THE FINANCIAL STATEMENTS  
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4. CASH AND SHORT TERM INVESTMENTS

Cash and short term investments consist of the following:

	2007	2006
Cash	\$ 22,862	\$ 30,957
Short term investments	<u>109,705</u>	<u>134,046</u>
	<u>\$ 132,567</u>	<u>\$ 165,003</u>

5. RESTRICTED CASH AND SURPLUS RESTRICTED FOR ENDOWMENT PURPOSES

Of the balance, \$15,000 is subject to externally imposed restrictions stipulating that the resources be maintained permanently for Emery-Dufault Award. The balance of \$420 is the investment income earned on the \$15,000 that is restricted for the future award payments. At year-end the organization had received the \$5,000 contribution from the donors, but it has yet to be deposited in the investment and is still in the operating account. The balance of the cash and short term investments has been correctly restricted by this year's contribution.

6. DEFERRED REVENUE

	2007	2006
Membership revenue received in advance	\$ 750	\$ 6,500
Deferred contributions:		
Dr. Albert S. Barber Award	-	500
Dr. Graham Branton Research Award	<u>500</u>	<u>500</u>
	<u>\$ 1,250</u>	<u>\$ 7,500</u>

7. 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 the 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.