

CANADIAN ASSOCIATION FOR CO-OPERATIVE
EDUCATION

(ASSOCIATION CANADIENNE DE L'ENSEIGNEMENT
CO-OPERATIF)
FINANCIAL STATEMENTS
AUGUST 31, 2008

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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, 2008 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, 2008 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 8, 2008

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

BALANCE SHEET
AS AT AUGUST 31, 2008

	2008	2007
ASSETS		
Cash and short-term investments, note 4	\$ 151,199	\$ 132,567
Restricted cash, note 5	20,705	15,420
Accounts receivable	3,857	2,258
Prepaid expenses and sundry assets	<u>1,255</u>	<u>7,420</u>
	<u>\$ 177,016</u>	<u>\$ 157,665</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 39,856	\$ 26,725
Deferred revenue, note 6	<u>8,100</u>	<u>1,250</u>
	<u>47,956</u>	<u>27,975</u>
ACCUMULATED SURPLUS		
Unrestricted	108,355	114,270
Restricted for endowment purposes, note 5	<u>20,705</u>	<u>15,420</u>
	<u>129,060</u>	<u>129,690</u>
	<u>\$ 177,016</u>	<u>\$ 157,665</u>

Approved:



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, 2008

	2008	2007
Revenue		
Membership dues	\$ 61,375	\$ 59,500
Biennial conference, net of related expenses	25,793	2,736
Other income	6,920	-
Interest income	2,793	4,370
Sponsorships and awards	2,000	1,500
Accreditation and manuals	<u>600</u>	<u>700</u>
	<u>99,481</u>	<u>68,806</u>
Expenses		
Salaries	54,245	53,293
Meetings	15,769	4,773
Research	8,131	6,048
Rent	7,423	7,649
Professional fees	5,150	4,605
Awards	3,673	3,989
Web development and support	2,531	1,564
Telephone	1,880	1,603
Equipment, software and training	1,851	984
Accreditation	1,660	3,283
Office supplies and general	1,552	2,448
Anniversary celebrations	1,031	17,550
Membership	434	1,121
Annual general meeting	37	1,370
Bank charges and interest	29	185
Strategic planning	-	11,103
Marketing	<u>-</u>	<u>1,412</u>
	<u>105,396</u>	<u>122,980</u>
Excess of expenditures over revenue	(5,915)	(54,174)
Accumulated surplus at beginning of year	129,690	178,501
Endowment contributions during the year	5,000	5,000
Investment income earned on endowment fund	<u>285</u>	<u>363</u>
Accumulated surplus at end of year	<u>\$ 129,060</u>	<u>\$ 129,690</u>

See accompanying notes to the financial statements

CANADIAN ASSOCIATION FOR CO-OPERATIVE EDUCATION
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STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2008

	2008	2007
Cash flow from operating activities		
Cash received from members and activities	\$ 227,873	\$ 64,132
Cash paid to suppliers and employee	(212,034)	(100,938)
Interest received	3,078	4,733
Endowment contributions	<u>5,000</u>	<u>5,000</u>
Increase (decrease) in cash and short-term investments during year	23,917	(27,073)
Cash and short-term investments at beginning of year	<u>147,987</u>	<u>175,060</u>
Cash and short-term investments at end of year	<u>\$ 171,904</u>	<u>\$ 147,987</u>
Represented by:		
Unrestricted cash	\$ 151,199	\$ 132,567
Restricted cash	<u>20,705</u>	<u>15,420</u>
	<u>\$ 171,904</u>	<u>\$ 147,987</u>

See accompanying notes to the financial statements

CANADIAN ASSOCIATION FOR CO-OPERATIVE EDUCATION
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NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2008

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
AUGUST 31, 2008**

4. CASH AND SHORT-TERM INVESTMENTS

Cash and short-term investments consist of the following:

	2008	2007
Cash	\$ 151,199	\$ 22,862
Short-term investments	<u>-</u>	<u>109,705</u>
	<u>\$ 151,199</u>	<u>\$ 132,567</u>

5. RESTRICTED CASH AND SURPLUS RESTRICTED FOR ENDOWMENT PURPOSES

Of the total, \$20,000 is subject to externally imposed restrictions stipulating that the resources be maintained permanently for Emery-Dufault Award. The balance of \$705 is the accumulated investment income earned on the \$20,000 that is restricted for the future award payments. At year-end the organization had received the \$10,000 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

	2008	2007
Membership revenue received in advance	\$ 8,100	\$ 750
Deferred contributions:		
Dr. Graham Branton Research Award	<u>-</u>	<u>500</u>
	<u>\$ 8,100</u>	<u>\$ 1,250</u>

7. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and short-term investments, conference advances, 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.

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NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2008

8. FUTURE ACCOUNTING CHANGES

Financial instrument disclosures

In March 2007, the CICA issued Section 3862 Financial Instruments - Disclosures and Section 3863 Financial Instruments - Presentation, which together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. The standard deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. These sections are effective September 1, 2008 but are not expected to have an impact on the Association's disclosure and presentation.

Capital disclosures

In December 2006, the CICA issued Section 1535 Capital Disclosures. This section establishes standards for disclosing information about an entity's objectives, policies and processes for managing capital. This section is effective September 1, 2008.