

Global Association of Co-operative and Work Integrated Education
Financial Statements
June 30, 2022

Independent Auditor's Report

To the Members of Global Association of Co-operative and Work Integrated Education:

Opinion

We have audited the financial statements of Global Association of Co-operative and Work Integrated Education (the "Organization"), which comprise the statement of financial position as at June 30, 2022, and the statements of operations, changes in net assets (deficit) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2022, 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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 opinion.

Other Matter

The financial statements of Global Association of Co-operative and Work-Integrated Education for the year ended June 30, 2021 were prepared by management and were not audited.

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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Organization 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.

Waterloo, Ontario

November 18, 2022

Chartered Professional Accountants

Licensed Public Accountants

Global Association of Co-operative and Work Integrated Education

Statement of Financial Position

As at June 30, 2022

	<i>June 30 2022</i>	<i>June 30 2021 (unaudited)</i>	<i>July 1 2020 (unaudited)</i>
Assets			
Current			
Cash	118,524	51,256	-
Accounts receivable	5,910	1,845	-
Prepaid expenses	-	1,170	-
	124,434	54,271	-
Liabilities			
Current			
Accounts payable and accruals <i>(Note 4)</i>	13,423	9,721	-
Deferred membership and conference revenue <i>(Note 5)</i>	59,774	36,417	-
Current portion of long-term debt <i>(Note 6)</i>	16,918	17,194	-
	90,115	63,332	-
Long-term debt <i>(Note 6)</i>	8,459	25,377	-
	98,574	88,709	-
Net Assets (Deficit)	25,860	(34,438)	-
	124,434	54,271	-

Approved on behalf of the Executive Council

Council Member

Council Member

The accompanying notes are an integral part of these financial statements

Global Association of Co-operative and Work Integrated Education
Statement of Operations
For the year ended June 30, 2022

	2022	2021 <i>(unaudited)</i>
Revenue		
Donations	-	11,840
Foreign exchange	4,759	1,155
Global Challenge	11,961	-
Membership dues	82,015	113,797
Sponsorships	-	11,042
Total revenue	98,735	137,834
Expenses		
Administrative	27,696	123,266
Bank charges and interest	1,602	2,663
Grants	-	18,800
Insurance	1,170	3,044
Office	732	3,338
Professional fees	7,237	21,161
Total expenses	38,437	172,272
Excess (deficiency) of revenue over expenses	60,298	(34,438)

The accompanying notes are an integral part of these financial statements

Global Association of Co-operative and Work Integrated Education
Statement of Changes in Net Assets (Deficit)

For the year ended June 30, 2022

	2022	2021 <i>(unaudited)</i>
Net assets (deficit), beginning of year	(34,438)	-
Excess (deficiency) of revenue over expenses	60,298	(34,438)
Net assets (deficit), end of year	25,860	(34,438)

The accompanying notes are an integral part of these financial statements

Global Association of Co-operative and Work Integrated Education
Statement of Cash Flows
For the year ended June 30, 2022

	2022	2021 <i>(unaudited)</i>
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	60,298	(34,438)
Changes in working capital accounts		
Accounts receivable	(4,065)	(1,845)
Prepaid expenses and deposits	1,170	(1,170)
Accounts payable and accruals	3,702	9,721
Deferred conference and membership revenue	23,357	36,417
	84,462	8,685
Financing		
Advances of long-term debt	-	42,571
Repayment of long-term debt	(17,194)	-
	(17,194)	42,571
Increase in cash resources	67,268	51,256
Cash resources, beginning of year	51,256	-
Cash resources, end of year	118,524	51,256

The accompanying notes are an integral part of these financial statements

Global Association of Co-operative and Work Integrated Education

Notes to the Financial Statements

For the year ended June 30, 2022

1. Incorporation and nature of the organization

Global Association of Co-operative and Work Integrated Education (the "Organization") was incorporated without share capital federally under the Canada Not-for-profit Corporations act, originally under the name Global Association of Work Integrated Learning on April 16, 2020. The name was amended to the current Organization name on November 30, 2021. The Organization is registered as a not-for-profit organization and thus is exempt from income taxes under section 149(1)(e) of the Income Tax Act ("the Act").

The Organization is dedicated on developing, expanding, branding and advocating for cooperative and work integrated education programs within industry and educational institutions.

2. Impact of adopting accounting standards for not-for-profit organizations

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended June 30, 2022, the comparative information for the year ended June 30, 2021, and the opening ASNPO statement of financial position as at July 1, 2020 (the Organization's date of transition to ASNPO).

The transition to ASNPO has affected the statement of financial position, statement of operations or statement of cash flows previously prepared by management. The transition resulted in the following adjustments as of June 30, 2021: an increase in long-term debt of \$42,571, an increase in prepaid expenses of \$1,170, an increase in deferred revenue of \$36,417, a decrease in accounts receivable of \$500, a decrease in membership revenue of \$4,917, a decrease in insurance expense of \$1,170 and an increase in administrative expense of \$74,571.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions which include donations. 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.

Membership dues are recognized over the period the membership dues relate to and when collection is reasonably assured. Sponsorships, conference, Global Challenge and other revenues are recognized when the event occurs.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accruals are made for expenses that have occurred but the invoices have not yet been received.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operating results in the years in which they become known.

Foreign currency translation

These financial statements have been presented in Canadian dollars, the principal currency of the Organization's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenues over expenses for the current period.

Global Association of Co-operative and Work Integrated Education

Notes to the Financial Statements

For the year ended June 30, 2022

3. Significant accounting policies (Continued from previous page)

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; and when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

Global Association of Co-operative and Work Integrated Education

Notes to the Financial Statements

For the year ended June 30, 2022

3. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment *(Continued from previous page)*

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the assets, to the amount that could be realized by selling them at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

Contributed services

Contributions of services are recorded at their fair market value for those services where the fair market value is determinable.

4. Accounts payable and accruals

Government remittances payable of \$4,338 are included in accounts payable and accruals at year end (2021 - government remittances receivable of \$672).

5. Deferred membership and conference revenue

Deferred membership and conference revenue represents revenue received for which the related services have not been provided or the related expenditures have not yet been made.

	2022	2021 <i>(unaudited)</i>
Deferred conference revenue	11,889	-
Deferred membership revenue	25,885	4,417
Deferred other revenue	22,000	32,000
Deferred membership and conference revenue, end of year	59,774	36,417
Changes in deferred membership and conference revenue are as follows:		
Deferred membership and conference revenue, beginning of year	36,417	-
Add: Amounts received for conferences during the year	11,889	-
Add: Amounts received for memberships during the year	25,885	4,417
Add: Contributed services received during the year	-	32,000
Less: Deferred membership and conference amounts recognized as revenue during the year	(14,417)	-
	59,774	36,417

Global Association of Co-operative and Work Integrated Education

Notes to the Financial Statements

For the year ended June 30, 2022

6. Long-term debt

The Organization entered into a debt agreement in fiscal 2021 with the University of Massachusetts Lowell (UML) to repay operational support received. The total repayable amount agreed upon was \$33,500 USD (\$42,571 CDN). Additionally, memberships, conference fees and sponsorships totalling \$32,000 CDN are required to be provided by the Organization. These amounts have been recognized as deferred membership and conference revenue (see Note 5) and will be recognized in revenue in the period in which the applicable benefit occurs.

	2022	2021 <i>(unaudited)</i>
Debt repayable to University of Massachusetts Lowell (in CDN), non-interest bearing, repayable in quarterly instalments of \$3,357 USD, due December 2023	25,377	42,571
Less: Current portion	16,918	17,194
	8,459	25,377

Principal repayments on long-term debt in each of the next two years are estimated as follows:

2023		
2024		16,918
		8,459
		25,377

7. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities and other transactions.

The Organization meets its liquidity requirements by preparing and monitoring detailed annual budgets, anticipating investing and financial activities, and holding assets that can be readily converted into cash.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization receives and makes payments in foreign currency based on relationships with international organizations. The long-term debt is repayable in USD. The remaining foreign currency risk is considered minimal.

Global Association of Co-operative and Work Integrated Education

Notes to the Financial Statements

For the year ended June 30, 2022

8. Significant event

Beginning in March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown to what extent the Organization's future operations will be impacted by the COVID-19 outbreak as this will depend on future developments that are highly uncertain and cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.