

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

FINANCIAL STATEMENTS

MARCH 31, 2008

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AUDITORS' REPORT

To the Members, Canadian Foundation for Economic Education:

We have audited the balance sheet of the Canadian Foundation for Economic Education as at March 31, 2008 and the statements of changes in net assets, revenue and expenditure and cash flows for the year then ended. These financial statements are the responsibility of the Foundation'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 Canadian Foundation for Economic Education as at March 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.

Watson Folkins Corey LLP

Watson Folkins Corey LLP
Licensed Public Accountants

Ottawa, Ontario
June 2, 2008

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

BALANCE SHEET AS AT MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash	\$ 482,408	\$ 360,726
Accounts receivable	504,804	333,816
Due from related party	-	33,720
Prepaid expenses	<u>12,657</u>	<u>4,910</u>
	999,869	733,172
CAPITAL ASSETS (note 3)	<u>4,951</u>	<u>15,708</u>
	<u>\$ 1,004,820</u>	<u>\$ 748,880</u>
CURRENT LIABILITIES		
Bank indebtedness (note 4)	\$ 59,448	\$ 54,448
Accounts payable	<u>79,762</u>	<u>103,408</u>
	<u>139,210</u>	<u>157,856</u>
DEFERRED CONTRIBUTIONS		
Related to operations (note 5)	235,485	90,524
Related to capital assets (note 6)	<u>4,951</u>	<u>15,223</u>
	<u>240,436</u>	<u>105,747</u>
NET ASSETS		
Invested in capital assets	-	485
Unrestricted	<u>625,174</u>	<u>484,792</u>
	<u>625,174</u>	<u>485,277</u>
	<u>\$ 1,004,820</u>	<u>\$ 748,880</u>

Approved on behalf of the Board:

Director

Director

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
NET ASSETS INVESTED IN CAPITAL ASSETS		
Balance - beginning of period	\$ 485	\$ 1,938
Amortization	(10,757)	(11,725)
Amortization of deferred contributions related to capital assets	<u>10,272</u>	<u>10,272</u>
Balance - end of period	<u>\$ -</u>	<u>\$ 485</u>
 UNRESTRICTED NET ASSETS		
Balance - beginning of period	\$ 484,792	\$ 388,573
Excess of revenue over expenses for the year	139,897	94,766
Amortization	10,757	11,725
Amortization of deferred contributions related to capital assets	<u>(10,272)</u>	<u>(10,272)</u>
Balance - end of period	<u>\$ 625,174</u>	<u>\$ 484,792</u>

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
REVENUE		
Non-government grants, services and donations	\$ 573,913	\$ 538,011
Government contributions		
- Human Resources and Skills Development Canada	1,259,573	806,553
Educational program sales	3,276	9,037
Interest	14,589	9,291
Miscellaneous	17,710	18,483
Amortization of deferred contributions related to capital assets	<u>10,272</u>	<u>10,272</u>
	<u>1,879,333</u>	<u>1,391,647</u>
EXPENSES		
Program services		
Government projects	1,259,573	806,553
Support services		
General program development, implementation and administration	<u>479,863</u>	<u>490,328</u>
	<u>1,739,436</u>	<u>1,296,881</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ <u>139,897</u>	\$ <u>94,766</u>

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 139,897	\$ 94,766
Amortization	10,757	11,725
Increase (reduction) in deferred contributions	144,961	72,415
Amortization of deferred contributions related to capital assets	(10,272)	(10,272)
Changes in non-cash working capital		
Accounts receivable	(170,988)	(214,657)
Due from related party	33,720	(33,720)
Prepaid expenses	(7,747)	(3,620)
Accounts payable	(23,646)	6,093
	<u>116,682</u>	<u>(77,270)</u>
FINANCING ACTIVITIES		
Increase in bank indebtedness	<u>5,000</u>	<u>45,000</u>
NET INCREASE IN CASH	121,682	(32,270)
Cash - beginning of year	<u>360,726</u>	<u>392,996</u>
CASH - END OF YEAR	\$ <u>482,408</u>	\$ <u>360,726</u>

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

1. PURPOSE OF THE ORGANIZATION

The purpose of the Canadian Foundation for Economic Education (CFEE) is to increase the extent to which Canadians assume their economic roles and make economic decisions, with competence and confidence. CFEE's objectives are to:

- Promote the profile and priority assigned to economic and financial capability.
- Promote policies all all levels of government to support efforts to improve economic and financial capability.
- Collaborate with partners to develop and distribute resources and programs to help improve economic and financial capability among a number of priority target groups.

The priorities of CFEE:

- Empower Canadians with the knowledge and skills to improve their economic and financial capability to enable them to undertake their economic actions and decisions with confidence and competence.
- Work in collaboration with key stakeholders, governments, the private sector, schools and teachers, community service agencies, and immigrant-serving organizations to:
 - i) ensure curriculum learning opportunities are in place in our schools,
 - ii) contribute to the professional development of teachers involved in economic and financial education,
 - iii) provide resources and training to those agencies and organizations that are able to deliver programs and services at a local, community level.
- Improve career and job planning, decision-making, and access.
- Develop enterprising knowledge, skills, attitudes, and attributes and enhance Canadians' capacity to consider entrepreneurship as a career option.
- Support improvements in economic and financial capability with free and readily available resources, information, tools, and training.
- Identify relevant knowledge and information gaps and pursue research to address them.

For more detailed information on CFEE and its programs, visit the CFEE web site at www.cfee.org

The Foundation was incorporated as a not-for-profit organization in 1974 under the Canada Corporations Act and is a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount 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 expenses during the reporting period. Actual results may differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

b) Depreciation is provided on the straight line basis as follows:

Furniture and equipment	20%
Computer equipment and software	30 %

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Revenue recognition

The Foundation 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.

d) Contributed goods and services

Contributions received in the form of materials and services are recorded at fair value at the date of contribution when the fair value can be reasonably estimated and when the materials and services are used in the normal course of operations.

3. CAPITAL ASSETS

	<u>2008</u>			<u>2007</u>
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 4,583	\$ 2,750	\$ 1,833	\$ 2,750
Computer equipment and software	36,030	32,912	3,118	12,958
	<u>\$ 98,484</u>	<u>\$ 80,121</u>	<u>\$ 4,951</u>	<u>\$ 15,708</u>

4. BANK INDEBTEDNESS

The Foundation has utilized \$59,448 (2007 - \$54,448) of a \$200,000 line of credit, with interest at prime plus 1.5%. All of the Foundation's assets have been pledged as collateral.

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent project funding received in the current period which was unspent and is being carried forward to the subsequent period.

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Capital asset contributions from HRSDC have been deferred and are being amortized to revenue over the same period as the related capital assets.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash, accounts receivable, due from related party, bank indebtedness and accounts payable approximates their fair value because of the relatively short period to maturity of the instruments. Management is of the opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from the above financial instruments.

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2008

8. COMMITMENTS

The Foundation is committed to the leases of office facilities and equipment approximately as follows:

2008-09	\$	91,200
2009-10		91,200
2010-11		79,500

The Foundation has committed to providing annual David Dodge economics scholarships over the next three years. Each year \$3,000 will be donated to Queen's University and \$3,000 to the University of British Columbia. These scholarships will be funded from future revenues.

9. RELATED PARTY TRANSACTIONS

Payments for professional services of \$119,600 (2007 - \$111,360) were made to a company controlled by the President of CFEE.

10. COMPARATIVE FIGURES

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