

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

FINANCIAL STATEMENTS

MARCH 31, 2009

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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, 2009 and the statements of revenue and expenditure and changes in unrestricted net assets 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, 2009 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
May 31, 2009

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

BALANCE SHEET AS AT MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash	\$ 379,539	\$ 482,408
Accounts receivable	286,409	504,804
Due from related party (note 8)	60,000	-
Prepaid expenses	<u>13,534</u>	<u>12,657</u>
	739,482	999,869
CAPITAL ASSETS (note 3)	<u>5,394</u>	<u>4,951</u>
	<u>\$ 744,876</u>	<u>\$ 1,004,820</u>
CURRENT LIABILITIES		
Bank indebtedness (note 4)	\$ 64,845	\$ 59,448
Accounts payable	<u>43,289</u>	<u>79,762</u>
	<u>108,134</u>	<u>139,210</u>
DEFERRED CONTRIBUTIONS		
Related to operations	-	235,485
Related to capital assets (note 5)	<u>5,394</u>	<u>4,951</u>
	<u>5,394</u>	<u>240,436</u>
UNRESTRICTED NET ASSETS	<u>631,348</u>	<u>625,174</u>
	<u>\$ 744,876</u>	<u>\$ 1,004,820</u>

Approved on behalf of the Board:

Director

Director

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS FOR THE YEAR ENDED MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
REVENUE		
Non-government grants, services and donations	\$ 448,555	\$ 573,913
Government contributions		
- Human Resources and Skills Development Canada	1,251,266	1,259,573
Educational program sales	88,071	3,276
Postage	36,710	4,136
Interest	6,618	14,589
Miscellaneous	15,176	13,574
Amortization of deferred contributions related to capital assets	<u>5,954</u>	<u>10,272</u>
	<u>1,852,350</u>	<u>1,879,333</u>
EXPENSES		
Program services		
Government projects	1,251,266	1,259,573
Support services		
General program development, implementation and administration	<u>594,910</u>	<u>479,863</u>
	<u>1,846,176</u>	<u>1,739,436</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	6,174	139,897
Unrestricted net assets, beginning of Year	<u>625,174</u>	<u>485,277</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 631,348</u>	<u>\$ 625,174</u>

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 6,174	\$ 139,897
Amortization	5,954	10,757
Increase (reduction) in deferred contributions	(235,485)	144,961
Amortization of deferred contributions related to capital assets	(5,954)	(10,272)
Changes in non-cash working capital		
Accounts receivable	218,395	(170,988)
Due from related party	(60,000)	33,720
Prepaid expenses	(877)	(7,747)
Accounts payable	<u>(36,473)</u>	<u>(23,646)</u>
	(108,266)	116,682
FINANCING ACTIVITIES		
Increase in bank indebtedness	<u>5,397</u>	<u>5,000</u>
NET INCREASE (DECREASE) IN CASH	(102,869)	121,682
Cash - beginning of year	<u>482,408</u>	<u>360,726</u>
CASH - END OF YEAR	<u>\$ 379,539</u>	<u>\$ 482,408</u>

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

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 at 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) Amortization 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, 2009

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.

e) Financial instruments

The Foundation uses the "held-for-trading" method of recording its financial assets and financial liabilities. Increases and decreases in fair value, both realized and unrealized, are recorded as gains or losses in revenue.

3. CAPITAL ASSETS

	2009			2008
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 4,583	\$ 3,667	\$ 916	\$ 1,833
Computer equipment and software	42,427	37,949	4,478	3,118
	\$ 98,484	\$ 80,121	\$ 5,394	\$ 4,951

4. BANK INDEBTEDNESS

The Foundation has utilized \$64,845 (2008 - \$59,448) 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 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.

6. 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, 2009

7. COMMITMENTS

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

2009-10	\$	91,200
2010-11		91,200
2011-12		7,800

The Foundation has committed to providing annual David Dodge economics scholarships over the next two 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.

8. RELATED PARTY TRANSACTIONS

Payments for professional services of \$135,900 (2008 - \$119,600) were made to a company controlled by the President of CFEE. At March 31, 2009 there was also \$60,000 (2008 - nil) owing to CFEE by the President - a loan which is non-interest bearing and has no fixed terms of repayment.

9. CAPITAL DISCLOSURES

For its own purposes the Foundation defines capital as its unrestricted net assets. The Foundation's objectives when managing capital is to maintain sufficient unrestricted net assets to withstand negative unexpected financial events, in order to maintain stability in the financial structure. The Foundation seeks to maintain sufficient liquidity to enable it to meet its obligations as they become due. The Foundation holds enough funds in its Canadian chartered bank and has a line of credit to ensure sufficient liquidity.

10. FUTURE ACCOUNTING CHANGES

The Accounting Standards Board has announced that all Canadian reporting entities, subject to certain exceptions which include not-for-profit organizations, will adopt International Financial Reporting Standards (IFRSs) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The Foundation, at its option, may adopt IFRS if it so chooses. The Foundation is currently evaluating the implications of the adoption of these new standards.

11. COMPARATIVE FIGURES

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