

**CANADIAN FOUNDATION
FOR ECONOMIC EDUCATION**

FINANCIAL STATEMENTS

March 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the directors of Canadian Foundation For Economic Education:

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Foundation For Economic Education, which comprise the balance sheet as at March 31, 2015, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Canadian Foundation For Economic Education derives part of its funding from the general public in the form of donations and contributions which are not susceptible to complete audit verification. Accordingly, our verification of revenue from these sources was limited to the amounts recorded in the books of the foundation and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph these financial statements present fairly, in all material respects, the financial position of Canadian Foundation For Economic Education as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario
June 12, 2015

Bass & Murphy
Chartered Accountants, LLP
Licensed Public Accountants

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION
BALANCE SHEET

as at March 31, 2015

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash	\$ 696,254	\$ 654,653
Amounts receivable (Note 2)	45,212	82,861
Prepaid expenses	14,505	27,921
	755,971	765,435
CAPITAL ASSETS (Note 3)	1,232	1,760
	757,203	767,195
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness (Note 4)	29,845	39,845
Accounts payable and accrued liabilities	89,786	87,086
Deferred contributions (Note 5)	50,000	150,000
	169,631	276,931
NET ASSETS	\$ 587,572	\$ 490,264
NET ASSETS REPRESENTED BY:		
Accumulated surplus - unrestricted	\$ 587,572	\$ 490,264

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

 Director

 Director

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION
STATEMENT OF CHANGES IN NET ASSETS

for the year ended March 31, 2015

	2015	2014
UNRESTRICTED NET ASSETS , beginning of year	\$ 490,264	\$ 347,210
Excess of revenues over expenses	97,308	143,054
UNRESTRICTED NET ASSETS , end of year	\$ 587,572	\$ 490,264

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION
STATEMENT OF REVENUES AND EXPENSES
for the year ended March 31, 2015

	2015	2014
REVENUES		
Non-government contributions and donations	\$ 1,662,000	\$ 1,827,500
Government contributions	132,785	2,967
Interest and other	15,336	17,540
Rental	12,000	15,000
	<u>1,822,121</u>	<u>1,863,007</u>
EXPENSES - Schedule 1		
Program services	1,022,523	1,067,909
Support services - General program development, implementation and administration	702,290	652,044
	<u>1,724,813</u>	<u>1,719,953</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 97,308	\$ 143,054

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION
STATEMENT OF CASH FLOWS

for the year ended March 31, 2015

	2015	2014
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 97,308	\$ 143,054
Adjustment for items not affecting current cash flow:		
Amortization of capital assets	528	754
	97,836	143,808
Changes in non-cash working capital balances:		
Amounts receivable	37,648	457,882
Prepaid expenses	13,416	(21,272)
Accounts payable and accrued liabilities	2,701	(248,020)
Deferred contributions	(100,000)	150,000
	51,601	482,398
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Decrease in bank indebtedness	(10,000)	(75,000)
INCREASE IN CASH DURING THE YEAR	41,601	407,399
CASH, beginning of year	654,653	247,254
CASH, end of year	\$ 696,254	\$ 654,653

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION
SCHEDULE 1 - EXPENSES

for the year ended March 31, 2015

	2015	2014
PROGRAM SERVICES		
Consulting and administrative fees (Note 6)	\$ 636,145	\$ 717,021
Field services and travel	196,203	123,842
Printing, production and distribution	112,520	151,478
Translation	47,880	22,819
Computer and website	29,775	52,749
	\$ 1,022,523	\$ 1,067,909
SUPPORT SERVICES		
Wages and benefits	\$ 459,389	\$ 398,957
Occupancy costs	81,960	77,139
Office supplies and general	48,253	38,403
Non-refundable portion of G.S.T/H.S.T	33,899	38,674
Professional fees	21,725	20,953
Telephone	14,432	16,874
Bank charges and interest	10,948	12,904
Board related costs	10,436	29,307
Postage and distribution	8,446	5,725
Insurance	7,290	7,389
Equipment rental	4,984	4,965
Amortization of capital assets	528	754
	\$ 702,290	\$ 652,044

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

The foundation was incorporated on June 25, 1974, without share capital under the Canada Corporations Act (continued under articles of continuance on November 12, 2013) and is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes. The purpose of the foundation is to increase the extent to which Canadians assume their economic roles and make economic decisions, with competence and confidence. The foundation's objectives are to promote the profile and priority assigned to economic and financial capability, promote the policies at all levels of government to support efforts to improve economic and financial capability and to collaborate with partners to develop and distribute resources and programs to help improve economic and financial capability among a number of priority target groups.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

The foundation follows the deferral method of accounting for donations and contributions whereby unrestricted donations and contributions are recognized as revenue when received or receivable and externally restricted donations and contributions are deferred and recognized as revenue in the period when the related expenses are recognized.

The foundation sub-leases a portion of their office space on a month-to-month basis. Rental revenue from these tenants are recognized based on the period the tenants occupy the office space.

Interest income from the bank account is recognized monthly based on the month it was earned.

Contributions and Contributed Services

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

Volunteers contribute many hours each year to assist the foundation in carrying out its activities. Because of the difficulty in determining their fair values, contributed services are not recognized in these financial statements.

Capital Assets

Capital assets are recorded at cost and are being amortized using the following methods and annual rates:

Furniture and equipment	Straight line	20%
Computer equipment	Straight line	30%

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial Instruments

The foundation initially measures its financial assets and liabilities at fair value. The foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and amounts receivable.

Financial liabilities measured at amortized cost include bank indebtedness and accounts payable and accrued liabilities.

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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include amortization of capital assets, amounts receivable, deferred contributions and accrued liabilities. Actual results could differ from these estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Allocation of Expenses

The foundation engages in government and private funded projects that are consistent with its objectives. The cost of these programs include eligible expenses that are directly related to the delivery of these projects.

The foundation incurs funding development and administration expenses, including corporate governance, general management and general support. These expenses are allocated accordingly as part of "support services" expenses on an appropriate basis and consistently each year.

Impairment of Long-Lived Assets

The foundation reviews long-lived assets for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. During the year, there were no events or changes in circumstances that caused management to review long-lived assets for impairment. Recoverability is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset.

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION
NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. AMOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Corporate sponsors, donors and other receivables	\$ 14,587	\$ 27,433
Harmonized sales tax rebate	24,915	55,428
Property tax rebate	5,710	-
	<u>\$ 45,212</u>	<u>\$ 82,861</u>

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2015</u>	<u>2014</u>
Furniture and equipment	\$ 4,583	\$ 4,583	-	\$ -
Computer equipment	45,178	43,946	1,232	1,760
	<u>\$ 49,761</u>	<u>\$ 48,529</u>	<u>1,232</u>	<u>\$ 1,760</u>

4. BANK INDEBTEDNESS

Bank indebtedness is secured by a general security agreement covering all assets of the foundation. The balance is due on demand and bears interest at prime plus 1.5% per annum. Prime interest rate approximated 2.85% (2014 - 3.00%) per annum at March 31, 2015. Under the demand loan negotiated on December 13, 2002, the foundation can borrow up to \$200,000. The foundation's bank accounts are held at one Canadian financial institution.

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION
NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted funding for which related expenses have not yet occurred. Changes in the deferred contributions balance are as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 150,000	\$ -
Funding received for program services	1,030,000	1,037,500
Less: program funds expended during the year	<u>(1,130,000)</u>	<u>(887,500)</u>
Balance, end of year	<u>\$ 50,000</u>	<u>\$ 150,000</u>

The balance consists of the following:

Funding for completion of the following programs:

(i) Talk with our Kids About Money	\$ 50,000	\$ 80,000
(ii) Financial Literacy for Newcomers to Canada	<u>-</u>	<u>70,000</u>
	<u>\$ 50,000</u>	<u>\$ 150,000</u>

6. RELATED PARTY TRANSACTIONS

	<u>2015</u>	<u>2014</u>
Payments made for professional services to a company owned by an employee of the foundation	\$ 127,600	\$ 109,900
Payments made for professional services to a spouse of an employee of the foundation	\$ 101,200	\$ 73,300

These transactions are for the provision of professional and consulting services to the foundation, are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At the end of the year, there were no amounts owing to or from related parties.

CANADIAN FOUNDATION FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

7. COMMITMENTS

- (i) The foundation is committed under an operating lease for its business premises with the lease set to expire on March 31, 2016. The minimum annual rent payable (exclusive of occupancy charges) to the end of this lease term is \$39,455.
 - (ii) The foundation is also committed under an employment contract to pay retirement payments to a key employee. On or before January 1, 2018, the employee, subject to certain conditions, has an option to receive two pre-retirement payments of \$75,000 payable by December 31 of the two consecutive years following the notice. The foundation has not been given notice of retirement from the employee.
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8. FINANCIAL INSTRUMENTS

The foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the foundation's risk exposure and concentrations at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the foundation will encounter difficulty in meeting obligations associated with its financial liabilities. The foundation is exposed to liquidity risk arising from its financial liabilities. The foundation's ability to meet obligations depends on the receipt of funds from its operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The foundation is exposed to interest rate risk in Note 4. Changes in the prime interest rate can cause fluctuations in interest payments and cash flows. The foundation does not use derivative financial instruments to alter the affects of this risk.

It is management's opinion that the foundation is not exposed to significant cash flow, market, currency, credit or other price risks arising from these financial instruments.

There have been no changes to the foundation's risk exposure from 2014.
