

**Canadian Federation of Earth Sciences
Fédération Canadienne des Sciences de la Terre**

Financial Statements

March 31, 2008

Canadian Federation of Earth Sciences
Fédération Canadienne des Sciences de la Terre

Financial Statements

March 31, 2008

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Auditors' Report

To the Members of Canadian Federation of Earth Sciences/Fédération Canadienne des Sciences de la Terre

We have audited the statement of financial position of Canadian Federation of Earth Sciences (Fédération Canadienne des Sciences de la Terre) as at March 31, 2008 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Federation'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 Federation 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.

The financial statements as at March 31, 2007 and for the year then ended were audited by predecessor auditors who expressed an opinion without reservation on those statements in their report dated September 18, 2007

**Calgary, Canada
October 14, 2008**

MackKay LLP
Chartered Accountants

Canadian Federation of Earth Sciences
Fédération Canadienne des Sciences de la Terre

Statement of Operations and Changes in Net Assets

For the year ended March 31,	2008	2007
Revenues		
Society dues	\$ 25,500	\$ 13,000
Interest income	4,291	4,420
Natural Resources Canada block funding	-	50,000
Provincial government grants	-	2,400
	29,791	69,820
Expenditures		
Operating (schedule 1)	55,871	45,156
Natural Resources Canada Funded (schedule 2)	14,982	17,757
Committees/studies/projects (schedule 3)	5,000	10,000
	75,853	72,913
Deficiency of revenues over expenditures	(46,062)	(3,093)
Surplus, beginning of year	192,311	195,404
Surplus, end of year	\$ 146,249	\$ 192,311

See accompanying notes

Canadian Federation of Earth Sciences
Fédération Canadienne des Sciences de la Terre

Statement of Financial Position

March 31, **2008** **2007**

Assets

Current

Cash	\$ 51,169	\$ 49,176
Accounts receivable	3,585	52,000
GST recoverable	1,981	1,032

56,735 **102,208**

Investments (note 3) **96,531** **93,091**

\$ 153,266 **\$ 195,299**

Liability

Current

Accounts payable	\$ 7,017	\$ 2,988
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Surplus **146,249** **192,311**

\$ 153,266 **\$ 195,299**

See accompanying notes

Approved by the Board:



Director

Director

Canadian Federation of Earth Sciences
Fédération Canadienne des Sciences de la Terre

Statement of Cash Flows

For the year ended March 31,	2008	2007
Cash provided by (used for)		
Operating activities		
Deficiency of revenues over expenditures	\$ (46,062)	\$ (3,093)
Item not affecting cash		
Interest accrual	(3,440)	(3,797)
	(49,502)	(6,890)
Change in non-cash working capital items		
Accounts receivable	48,415	(52,000)
GST	(949)	504
Accounts payable	4,029	(1,085)
	1,993	(59,471)
Investing activities		
Purchase of investments	(42,536)	(50,330)
Proceeds on redemption of investments	42,536	100,330
	-	50,000
Increase (decrease) in cash	1,993	(9,471)
Cash, beginning of year	49,176	58,647
Cash, end of year	\$ 51,169	\$ 49,176

See accompanying notes

Canadian Federation of Earth Sciences

Fédération Canadienne des Sciences de la Terre

Notes to the Financial Statements

March 31, 2008

1. Nature of operations

Canadian Federation of Earth Sciences (the "Federation") is a non-profit organization chartered under the provisions of Part II of the Canada Corporation Act as Canadian Geoscience Council - Conseil Géoscientifique Canadien, which changed its name effective March 26, 2007 to Canadian Federation of Earth Sciences/Fédération Canadienne des Sciences de la Terre. Its principal activities include promoting scientific awareness and education, providing expert advice concerning the earth sciences, attending and participating in related international conferences, and providing liaison between various levels of government and companies involved in geological activities.

2. Significant accounting policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements:

(a) Fund accounting and revenue recognition

The Federation follows the restricted fund method of accounting for contributions.

The Federation recognizes revenue on an accrual basis, whereby amounts granted relating to the current fiscal year, but not received until after year-end, are recognized as revenue.

(b) Contributed services

Volunteers contributed time to assist the Federation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(c) Change in accounting policy

Effective April 1, 2007 The Federation adopted The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3855: Financial Instruments - Recognition and Measurement and CICA Handbook Section 3861: Financial Instruments - Disclosure and Presentation. These new Handbook sections provide comprehensive requirements for the recognition and measurement of financial instruments.

Under Section 3855, financial assets and liabilities are initially recognized and subsequently measured based on their classification. The Federation has designated its cash and cash equivalents as held-for-trading and, as such, these financial assets are measured at fair value. Gains and losses realized on disposal, unrealized gains and losses from market fluctuations and other investment income are reported in the Statement of Operations. The investments in GIC's, accounts receivables and other liabilities are measured at amortized cost using the effective interest rate method.

There was no impact to the financial position of the Federation upon adoption of the new standards.

Canadian Federation of Earth Sciences
Fédération Canadienne des Sciences de la Terre

Notes to the Financial Statements

March 31, 2008

3. Investments

		2008		2007
Industrial Alliance Pacific Life				
Guaranteed Interest Certificate, 3.45% maturing August 31, 2008	\$	43,417	\$	41,752
Guaranteed Interest Certificate, 3.55% maturing August 31, 2010		53,114		51,339
	\$	96,531	\$	93,091

The carrying amount of the GIC's includes principal and accrued interest.

Canadian Federation of Earth Sciences
Fédération Canadienne des Sciences de la Terre

Schedules to the Financial Statements

For the year ended March 31,

Schedule of operating

Schedule 1

	2008	2007
Business Manager's Office	\$ 27,919	\$ 22,030
Executive travel	18,459	16,214
Financial Director's Office	8,493	4,317
Administrative Director's Office	-	1,395
Memberships	1,000	1,200
	\$ 55,871	\$ 45,156

Schedule of natural resources canada funded

Schedule 2

	2008	2007
International Geological Correlation Project: Activities	\$ 5,073	\$ 6,698
International Union of Geological Sciences: Memberships	9,909	11,059
	\$ 14,982	\$ 17,757

Schedule of committees/studies/projects

Schedule 3

	2008	2007
EdGeo	\$ -	\$ 5,000
Canadian Geoscience Educational Network	5,000	5,000
	\$ 5,000	\$ 10,000
