

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

Financial Statements

March 31, 2009

Draft

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

Financial Statements

March 31, 2009

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Draft

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, 2009 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, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**Calgary, Canada
September 25, 2009**

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,	2009	2008
Revenues		
Society dues	\$ 31,322	\$ 25,500
Interest income	2,759	4,291
Natural Resources Canada block funding	25,000	-
	59,081	29,791
Expenditures		
Operating (schedule 1)	89,576	55,871
Natural Resources Canada Funded (schedule 2)	4,400	14,982
Committees/studies/projects (schedule 3)	-	5,000
Nuna Gussow conference	14,986	-
	108,962	75,853
Deficiency of revenues over expenditures	(49,881)	(46,062)
Surplus, beginning of year	146,249	192,311
Surplus, end of year	\$ 96,368	\$ 146,249

See accompanying notes

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

Statement of Financial Position

March 31, **2009** **2008**

Assets

Current

Cash	\$	34,372	\$	51,169
Accounts receivable		17,353		3,585
GST recoverable		3,514		1,981

55,239 **56,735**

Investments (note 3) **59,221** **96,531**

\$ 114,460 \$ 153,266

Liability

Current

Accounts payable and accrued liabilities	\$	18,092	\$	7,017
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Surplus **96,368** **146,249**

\$ 114,460 \$ 153,266

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,	2009	2008
Cash provided by (used for)		
Operating activities		
Deficiency of revenues over expenditures	\$ (49,881)	\$ (46,062)
Item not affecting cash		
Interest accrual	(2,691)	(3,440)
	(52,572)	(49,502)
Change in non-cash working capital items		
Accounts receivable	(13,768)	48,415
GST	(1,533)	(949)
Accounts payable and accrued liabilities	11,076	4,029
	(56,797)	1,993
Investing activities		
Purchase of investments	(53,862)	(42,536)
Proceeds on redemption of investments	93,862	42,536
	40,000	-
Increase (decrease) in cash	(16,797)	1,993
Cash, beginning of year	51,169	49,176
Cash, end of year	\$ 34,372	\$ 51,169

See accompanying notes

Supplemental cash flow information

The Federation had the following cash transactions:

Interest received	\$ 3,601	\$ 851
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Canadian Federation of Earth Sciences
Fédération Canadienne des Sciences de la Terre

Notes to the Financial Statements

March 31, 2009

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.

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

Notes to the Financial Statements

March 31, 2009

2. Significant accounting policies (continued)

(c) Financial instruments

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.

As permitted for Not-for-Profit Organizations, St. Mary's has elected to continue to apply Canadian Institute of Chartered Accountants (CICA) Section 3861, Financial Instruments – Disclosure and Presentation in place of Section 3862, Financial Instruments – Disclosure and Section 3863, Financial Instruments – Presentation.

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

Notes to the Financial Statements

March 31, 2009

3. Investments

	2009	2008
Industrial Alliance Pacific Life		
Guaranteed Interest Certificate, 3.45% maturing August 31, 2008	\$ -	\$ 53,114
Guaranteed Interest Certificate, 3.55% maturing August 31, 2010	4,405	43,417
Guaranteed Interest Certificate, 3.05% maturing August 31, 2011	54,816	-
	\$ 59,221	\$ 96,531

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

4. Related party transactions

	2009	2008
Consulting fees paid to members	\$ 48,249	\$ 25,855

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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

	2009	2008
Business Manager's Office	\$ 59,005	\$ 27,919
Executive travel	15,026	18,459
Financial Director's Office	14,545	8,493
Memberships	1,000	1,000
	\$ 89,576	\$ 55,871

Schedule of Natural Resources Canada Funded

Schedule 2

	2009	2008
International Geological Correlation Project: Activities	\$ 4,400	\$ 5,073
International Union of Geological Sciences: Memberships	-	9,909
	\$ 4,400	\$ 14,982

Schedule of committees/studies/projects

Schedule 3

	2009	2008
Canadian Geoscience Educational Network	\$ -	\$ 5,000
