

FINANCIAL STATEMENTS
For
**CANADIAN EMPLOYMENT RESEARCH FORUM/
LE FORUM CANADIEN DE RECHERCHE SUR L'EMPLOI**
For year ended
MARCH 31, 2011

INDEPENDENT AUDITOR'S REPORT

To the directors of

**CANADIAN EMPLOYMENT RESEARCH FORUM /
LE FORUM CANADIEN DE RECHERCHE SUR L'EMPLOI**

We have audited the accompanying financial statements of Canadian Employment Research Forum/Le forum canadien de recherche sur l'emploi, which comprise the balance sheet as at March 31, 2011 and the statements of operations and 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 generally accepted accounting principles, 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Employment Research Forum/Le forum canadien de recherche sur l'emploi as at March 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Welch LLP

Chartered Accountants
Licensed Public Accountants

Ottawa, Ontario.
November 30, 2011.

**CANADIAN EMPLOYMENT RESEARCH FORUM/
LE FORUM CANADIEN DE RECHERCHE SUR L'EMPLOI**

(Incorporated under the laws of Canada)

BALANCE SHEET

MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 20,955	\$ 25,606
Short-term investments (note 5)	50,143	51,369
Prepaid expenses	<u>-</u>	<u>225</u>
	<u>\$ 71,098</u>	<u>\$ 77,200</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,527	\$ 2,375
NET ASSETS	<u>69,571</u>	<u>74,825</u>
	<u>\$ 71,098</u>	<u>\$ 77,200</u>

Approved by the Board:

..... Director

..... Director

(See accompanying notes)

**CANADIAN EMPLOYMENT RESEARCH FORUM/
LE FORUM CANADIEN DE RECHERCHE SUR L'EMPLOI**

STATEMENT OF OPERATIONS AND NET ASSETS

YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
REVENUE		
Interest earned	\$ <u>1,559</u>	\$ <u>1,393</u>
EXPENDITURES		
Professional fees	1,598	2,980
Office and administration	5,028	5,479
Bank charges	<u>187</u>	<u>348</u>
	<u>6,813</u>	<u>8,807</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	(5,254)	(7,414)
NET ASSETS, BEGINNING OF YEAR	<u>74,825</u>	<u>82,239</u>
NET ASSETS, END OF YEAR	\$ <u>69,571</u>	\$ <u>74,825</u>

(See accompanying notes)

**CANADIAN EMPLOYMENT RESEARCH FORUM/
LE FORUM CANADIEN DE RECHERCHE SUR L'EMPLOI**

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (5,254)	\$ (7,414)
Changes in the level of:		
Prepaid expenses	225	142
Accounts payable and accrued liabilities	<u>(848)</u>	<u>775</u>
	<u>(5,877)</u>	<u>(6,497)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of short term investments - net	<u>1,226</u>	<u>28,921</u>
INCREASE (DECREASE) IN CASH	(4,651)	22,424
CASH, BEGINNING OF YEAR	<u>25,606</u>	<u>3,182</u>
CASH, END OF YEAR	\$ <u>20,955</u>	\$ <u>25,606</u>

(See accompanying notes)

**CANADIAN EMPLOYMENT RESEARCH FORUM/
LE FORUM CANADIEN DE RECHERCHE SUR L'EMPLOI**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2011

1. PURPOSE OF ORGANIZATION

The Canadian Employment Research Forum/Le forum canadien de recherche sur l'emploi was incorporated under the Canada Corporations Act as a non-profit organization without share capital with the following purposes:

- (a) to improve the level of employment policy analysis and debate in Canada by encouraging policy-related empirical research, and;
- (b) to improve interaction among researchers and policy-makers from governments, universities, business, labour and other communities concerned with employment issues.

The Canadian Employment Research Forum/Le forum canadien de recherche sur l'emploi is a not-for-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Investments

The company has classified its investments as available for sale and has recorded them at their fair value.

The purchase and sale of investments are accounted for using settlement date accounting.

Transaction costs associated with the acquisition of investments and management fees are expensed as incurred.

Revenue recognition

Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions for specific future period's expenses are deferred and included in revenue for the period of the related expenditure.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CANADIAN EMPLOYMENT RESEARCH FORUM/
LE FORUM CANADIEN DE RECHERCHE SUR L'EMPLOI**

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2011

3. FUTURE ACCOUNTING STANDARDS

In December, 2008, the CICA decided to defer the requirement for not-for-profit organizations to adopt Handbook Sections 3862 (Financial Instruments - Disclosures) and 3863 (Financial Instruments - Presentation) and to permit these organizations to continue to apply Section 3861 (Financial Instruments - Disclosure and Presentation) instead. Since new financial instrument standards for not-for-profit organizations may be forthcoming, the organization has decided to continue to apply Section 3861 and has not adopted Sections 3862 and 3863.

The Accounting Standards Board of the Canadian Institute of Chartered Accountants recently approved a financial reporting framework designed specifically to meet the needs of users of financial statements prepared by not-for-profit organizations. Not-for-profit organizations are also given the option to adopt International Financial Reporting Standards (IFRS) instead of the new not-for-profit accounting standards. One of these new frameworks must be applied by the organization by its March 31, 2013 fiscal year-end and the organization is permitted to adopt these standards earlier, if desired. Management is currently evaluating the impact of these new reporting frameworks on their financial statements.

4. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, short-term investments, accounts payable and accrued liabilities. The fair value of the organization's cash, short-term investments, accounts payable and accrued liabilities approximate their carrying value due to their short term nature.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these instruments.

5. INVESTMENTS

Short-term investments consist of the following

	<u>2011</u>	<u>2010</u>
Cashable GIC, 1 year, 1.7% interest rate, matures January 31, 2012	\$ 50,143	\$ -
Cashable GIC, 2 year, rising interest rate at 2%, 3.5%, matures January 13, 2011	<u>-</u>	<u>51,369</u>
	<u>\$ 50,143</u>	<u>\$ 51,369</u>

6. RELATED PARTY TRANSACTIONS

During the year, administration fees totalling \$4,876 (2010 - \$5,040) were paid to a company, the controlling shareholder of which is on the board of directors of the organization. The transactions occurred in the normal course of business and have been recorded at their exchange amount which is the amount agreed upon by the related parties.

7. CAPITAL

The organization defines its capital as its net assets. The organization's objectives with respect to managing capital are to hold sufficient unrestricted net assets to fund ongoing operations. The organization monitors its capital requirement and objectives through its budgeting process and its financial statement review process.