



COUNCIL FOR
**Economic
Education**

Teaching Opportunity

2011 AUDITED FINANCIALS



COUNCIL FOR
**Economic
Education**

Teaching Opportunity®

From: Nan J. Morrison, President and CEO

Re: 2011 Financial Statements

CEE ended Fiscal 2011 with an increase in Net Assets (surplus) of approximately \$466,600, a significant improvement compared to the \$1.1 million reduction in Net Assets (deficit) in 2010. In addition to new funders, a significant contributor to the improved financial results was the monitoring and control of expenses, particularly Management and General expenses which accounted for only 10% of total expenses. CEE spent 87% of its activity and expenses on Programs, and the remaining 3% on Fundraising.

CEE's financial position remains strong; Total Assets were \$5.1 million at the end of the fiscal year and Liabilities were only \$0.9 million.

The 2011 audit includes a prior period adjustment of \$170,000 primarily due to two grants that our new auditors deemed should have been closed at the end of fiscal 2010, so we released these funds from restricted to unrestricted funds.

Council for Economic Education

**Reports on Financial Statements,
Schedule of Expenditures of Federal Awards,
Internal Control and Compliance
(With Supplementary Information)**

Year Ended December 31, 2011

COUNCIL FOR ECONOMIC EDUCATION

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Report of Independent Public Accountants

To the Board of Directors
Council for Economic Education

We have audited the accompanying statement of financial position of the Council for Economic Education ("CEE") as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of CEE's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CEE as of December 31, 2011, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

We also audited the adjustments described in Note 12 that were applied to restate beginning net assets. In our opinion, such adjustments are appropriate and have been properly applied.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012 on our consideration of CEE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

 J.H. Cohn LLP

New York, New York
September 28, 2012

COUNCIL FOR ECONOMIC EDUCATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

Cash and cash equivalents	\$ 3,780,315
Accounts receivable, net of allowance for doubtful accounts of \$7,264	52,005
Government grants receivable	286,360
Contributions receivable, due in less than one year	15,775
Prepaid expenses and other assets	51,443
Publications inventory, net of reserve for obsolescence of \$28,000	281,614
Restricted investments	455,000
Furniture and equipment, net	143,830
	<hr/>
Total assets	\$ 5,066,342

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 599,759
Deferred rent	210,584
Capital lease obligations	57,485
Total liabilities	<hr/> 867,828
Commitments and contingencies	
Net assets:	
Unrestricted	2,021,701
Temporarily restricted	2,176,813
Total net assets	<hr/> 4,198,514
	<hr/>
Total liabilities and net assets	\$ 5,066,342

See Notes to Financial Statements.

COUNCIL FOR ECONOMIC EDUCATION

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Government grants	\$ 5,278,828			\$ 5,278,828
Affiliate dues and conference fees	111,476			111,476
Educational materials and services	1,098,601			1,098,601
Special event revenue, net of direct costs of \$104,456	317,769	\$ 25,000		342,769
Grants and contributions	767,151	2,725,500		3,492,651
Other income	28,719			28,719
Net appreciation of fair value of investments	19,833			19,833
Interest and dividends	7,601			7,601
Net assets released from restrictions	<u>2,742,963</u>	<u>(2,742,963)</u>		<u>-</u>
Total support and revenue	<u>10,372,941</u>	<u>7,537</u>	<u>- - - -</u>	<u>10,380,478</u>
 Expenses:				
Program services:				
Core programs	2,183,708			2,183,708
Excellence in economic education	1,623,679			1,623,679
Economics International	3,654,967			3,654,967
Other	1,147,852			1,147,852
Total program services	<u>8,610,206</u>	<u>-</u>	<u>-</u>	<u>8,610,206</u>
 Support services:				
Management and general	982,753			982,753
Fundraising	320,933			320,933
Total support services	<u>1,303,686</u>	<u>-</u>	<u>-</u>	<u>1,303,686</u>
 Total expenses	<u>9,913,892</u>	<u>-</u>	<u>-</u>	<u>9,913,892</u>
 Net asset reclassification		<u>24,634</u>	<u>\$ (24,634)</u>	<u>-</u>
 Changes in net assets	459,049	32,171	(24,634)	466,586
 Net assets, beginning of year (as originally reported)	<u>1,392,296</u>	<u>2,314,998</u>	<u>24,634</u>	<u>3,731,928</u>
 Prior period adjustments	170,356	(170,356)		-
 Net assets, beginning of year (as restated)	<u>1,562,652</u>	<u>2,144,642</u>	<u>24,634</u>	<u>3,731,928</u>
 Net assets, end of year	<u>\$ 2,021,701</u>	<u>\$ 2,176,813</u>	<u>\$ -</u>	<u>\$ 4,198,514</u>

COUNCIL FOR ECONOMIC EDUCATION

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2011

Cash flows from operating activities:	\$ 466,586
Change in net assets	
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	54,322
Net appreciation in fair value of investments	(19,833)
Provision for bad debt	3,945
Changes in operating assets and liabilities:	
Accounts receivable	(2,002)
Government grants receivable	238,027
Contributions receivable	101,134
Prepaid expenses and other assets	63,245
Publications inventory	(26,568)
Accounts payable and accrued expenses	(120,445)
Deferred rent	4,589
Net cash provided by operating activities	<u>763,000</u>
Cash flows from investing activities:	
Proceeds from sales of investments	<u>419,188</u>
Net cash provided by investing activities	<u>419,188</u>
Cash flows from financing activities:	
Payments made on capital lease obligations	(38,271)
Changes in restricted investments	<u>34,909</u>
Net cash used in financing activities	<u>(3,362)</u>
Increase in cash and cash equivalents	1,178,826
Cash and cash equivalents, beginning of year	<u>2,601,489</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,780,315</u></u>
Supplemental disclosure of cash flow data:	
Interest paid under capital leases	<u><u>\$ 549</u></u>

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization:

The Council for Economic Education (CEE) was incorporated in 1949 in the District of Columbia as a not-for-profit organization.

CEE is the leading organization in the United States that focuses on the economic and financial education of students from kindergarten through high school. For the past 60 years, CEE's mission has been to instill in young people the fourth "R"—a real-world understanding of economics and personal finance. It is only by acquiring economic and financial literacy that children can learn that there are better options for a life well lived, will be able to see opportunity on their horizon line and, ultimately, can grow into successful and productive adults capable of making informed and responsible decisions.

CEE carries out its mission by providing professional development for teachers, teaching resources across the curriculum and nationally-normed assessment tools. The organization delivers its programs through in-person local workshops, partner organizations and online.

CEE has been classified as a 501(c)(3) organization and is exempt from Federal income taxes under Section 501(a) of the U.S. Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. Additionally, CEE has been classified as an organization which is not a private foundation under Section 509(a)(2).

CEE's primary source of revenue is from government grants, philanthropic contributions and educational materials and services.

Note 2 - Summary of significant accounting policies:

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The accompanying financial statements reflect only the accounts of CEE (considered the national office) and do not include the financial position, changes in net assets and cash flows of affiliated state councils, which are not controlled by CEE, as such entities do not meet the consolidation criteria established by accounting principles generally accepted in the United States of America.

Classification of net assets:

CEE classifies its net assets into three categories, which are unrestricted, temporarily restricted, and permanently restricted.

Unrestricted – include expendable resources that are not subject to donor-imposed stipulations and, therefore, may be expended for any purpose in performing the primary objectives of CEE.

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (continued):

Classification of net assets (concluded):

Temporarily restricted – include resources subject to donor-imposed stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets released from restrictions.

Permanently restricted – include resources subject to donor-imposed stipulations, requiring that the principal be maintained in perpetuity, but permit CEE to expend part or all of the income and gains derived therefrom. There were no permanently restricted net assets at December 31, 2011.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. The most significant estimates relate to the useful lives assigned to furniture and equipment, reserves for inventory obsolescence and allowance for potentially uncollectible receivables. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents:

CEE considers all highly liquid financial instruments with original maturities of three months or less when purchased to be cash equivalents. CEE places its temporary cash investments with high-credit quality financial institutions.

Publications inventory:

Publications inventory is stated at the lower of weighted-average cost or market value, less an estimated reserve for obsolete and slow-moving items. It represents the value of sellable books, excluding both promotional items, as well as educational materials paid for by restricted funds, which were both expensed at the time of production.

Investments:

CEE records its investments at fair value with changes in the fair value of investments recorded in the statement of activities. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. Realized gains or losses are recognized on the specific identification method.

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (continued):

Furniture and equipment:

Furniture and equipment are carried at original cost (or fair value, if donated), provided the respective asset cost is \$5,000 or more and its useful life exceeds three years. Such assets are depreciated over their estimated useful lives, which range from three to five years, using the straight-line method. Leasehold improvements and capital lease equipment are amortized over the lesser of their estimated useful lives of the assets or term of the respective lease.

Deferred rent:

CEE occupies office space under a lease containing escalation clauses and a lease incentive that requires normalization of the rental expense over the life of the lease. This results in deferred rent, which is reflected in the accompanying statement of financial position.

Revenue recognition:

Government grant revenue is recognized when earned. Expense driven grants are recognized as revenue when qualifying expenses have been incurred and all other grant requirements have been met. Government grant funds received prior to incurrence of the qualifying expenses are recorded as "deferred income". Government grants receivable consists of eligible costs under the government grants and contracts that were incurred prior to year end for which payment has not been received.

Contribution revenue is recorded at fair value when received or pledged. Amounts are recorded as temporarily or permanently restricted if they have donor stipulations that limit the use of the donated asset. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Unconditional contributions that are expected to be collected within one year are recorded at their net realizable value. Unconditional contributions that are expected to be collected beyond one year are recorded at the present value of their net realizable value using risk free interest rates applicable to the years in which the contributions are to be received.

Revenue and expenses incurred relative to special events are recognized upon occurrence of the respective event. CEE reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. Unconditional promises to give are recognized when such promise is received.

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (concluded):

Contributed goods and services:

CEE benefits from volunteer services. The value of volunteer services is not recognized in the accompanying financial statements as they do not meet the criteria for recognition. In addition, CEE, on occasion, receives contributed goods and services from third parties but has historically not recorded such contributions due to their immaterial nature. Contributed goods and services received by CEE totaled \$15,430 for the year ended December 31, 2011.

Income taxes:

CEE has no unrecognized tax benefits as of December 31, 2011. CEE's Federal and state income tax returns prior to fiscal year 2008 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, CEE will recognize interest and penalties associated with tax matters as administration expenses and include accrued interest and penalties with the related tax liability in the statement of financial position. There were no interest or penalties for the year ended December 31, 2011.

Subsequent events:

CEE has evaluated subsequent events through September 28, 2012, which is the date the financial statements were available to be issued and determined that other than the matters described below, there were no significant events requiring adjustment or disclosure to the accompanying financial statements.

In 2012, CEE received \$5 million of contributions as a result of a distribution of funds from court-approved settlements of a class action lawsuit.

In July 2012, CEE entered into a sublease agreement to sublet the vacant space in its New York office.

Note 3 - Concentrations of credit risk:

Financial instruments that potentially subject CEE to concentrations of credit risk consist principally of cash and cash equivalents and government grants and contributions receivable. At times during the year, CEE's cash balances may exceed the limits of Federal Deposit Insurance Corporation insurance coverage. At December 31, 2011, CEE's uninsured cash and cash equivalent balances totaled \$3,300,350. CEE monitors its financial institutions and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions.

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 3 - Concentrations of credit risk (concluded):

Grants from government agencies and contribution receivable credit risk are limited due to the nature of the grants and contributions. CEE regularly monitors its grants from government agencies and contributions receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. CEE considers all grants from government agencies as collectible.

Note 4 - Fair value measurements:

CEE values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, CEE utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

As of December 31, 2011, CEE's restricted investments were held in certificates of deposits, all of which were categorized as Level 1.

Investment returns for the year ended December 31, 2011 consisted of the following:

Interest and dividends	\$ 7,601
Net appreciation	<u>19,833</u>
Total	<u>\$27,434</u>

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 4 - Fair value measurements (concluded):

The following is a description of the valuation methodology used for investments at fair value. There have been no changes in the methodologies used at December 31, 2011.

Investments in certificates of deposit are valued using market prices on active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although CEE believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 5 - Furniture and equipment, net:

Furniture and equipment, net, at December 31, 2011 consist of the following:

	Estimated Useful Lives	<u>2011</u>
Office furniture and equipment	3-5 years	\$ 311,472
Leasehold improvements	10 years	<u>17,621</u>
Total		<u>329,093</u>
Less accumulated depreciation and amortization		<u>(185,263)</u>
Total		<u>\$ 143,830</u>

Depreciation and amortization expense for the year ended December 31, 2011 totaled \$54,322.

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 6 - Temporarily restricted net assets:

At December 31, 2011, temporarily restricted net assets are available for the following purposes in future periods:

	2011
Survey of the States	\$ 15,425
Financial Literacy Now Program	21,884
FY2012 Visionary Award Program	25,000
National Economics Challenge Program	27,949
Teacher Training	39,953
Teacher Training Programs in Economics	44,992
After School Program for Personal Finance and Economics	88,748
Entrepreneurship Economic Publications Online Module	90,024
K-12 Personal Finance Program Revision	138,324
Personal Finance Institute Program	197,777
Online Economic and Financial Education Program	221,047
Comprehensive Economic Education CD- ROM Program	1,076,140
All other temporarily restricted programs	189,550
	<u>\$ 2,176,813</u>

Net assets released from donor restrictions for the year ended December 31, 2011 were released by incurring expenses satisfying the program restrictions and the expiration of time restrictions specified by the donors.

Note 7 - Permanently restricted net assets:

In September 2010, New York State passed its own version of the Uniform Prudent Management of Institutional Funds Act ("NYPMIFA). At December 31, 2010, permanently restricted net assets totaled \$24,634 and all earnings from permanently restricted donor-endowments were available for operations.

In conjunction with CEE's NYPMIFA adoption, management performed an analysis of all permanently restricted endowment funds. With the assistance of legal counsel, CEE determined that \$24,634 of its previously reported permanently restricted net assets were best characterized as temporarily restricted net assets based upon interpretation of available historical documentation. Therefore, upon appropriate notification to the New York State Attorney General, a reclassification of net assets was authorized by CEE's Board of Directors. The reclassification was reflected in the accompanying 2011 statement of activities.

At December 31, 2011, there were no permanently restricted net assets.

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 8 - Capital lease obligations:

Included in furniture and equipment on the accompanying statement of financial position is various equipment acquired under capital lease arrangements with a cost of \$188,850 and accumulated amortization of \$131,365 at December 31, 2011. The equipment is being amortized on a straight-line basis over the lesser of its estimated useful life or the respective term of the lease. The corresponding obligations under the capital leases represent the present value of the rental payments discounted by the interest rates implicit in the lease agreements. Annual payments subsequent to December 31, 2011 are as follows:

2012	\$ 26,551
2013	24,631
2014	<u>6,303</u>
	<u>\$ 57,485</u>

Interest expense for the year ended December 31, 2011 was \$549.

Note 9 - Employee benefit plans:

CEE maintains a defined contribution pension plan whereby contributions are made in an amount equal to 8.5% of annual compensation for all eligible employees. Contributions to the plan for the year ended December 31, 2011 amounted to \$133,813.

Note 10- Commitments and contingencies:

Operating leases:

Certain of CEE's operating leases contain annual base rental increases. In accordance with accounting principles generally accepted in the United States of America, rent expense is recognized on a straight-line basis, including future base rental increases, over the life of the lease rather than in accordance with the actual lease payments. These leases expire through 2019. Deferred rent expense represents the adjustment to future rents as a result of using the straight-line method. Additionally, during 2008 CEE entered into a letter of credit facility in lieu of a security deposit for its new space. In connection with this letter of credit, which was not drawn at December 31, 2011, CEE pledged certificates of deposit totaling \$455,000 which is reflected as restricted investments in the accompanying statement of financial position.

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 10- Commitments and contingencies (concluded):

Operating leases (concluded):

Future minimum operating lease payments follow:

<u>Year ending December 31,</u>	<u>Amount</u>
2012	\$ 611,018
2013	601,913
2014	633,783
2015	633,783
2016	633,783
Thereafter	<u>1,531,642</u>
Total	<u>\$ 4,645,922</u>

Rent expense for the year ended December 31, 2011 totaled \$695,274.

As described in Note 2, CEE entered into a sublease agreement in July 2012, to sublet the vacant space in its New York office. The sublease expires December 31, 2015.

Future minimum rental income to be received by CEE follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2012	\$ 26,667
2013	150,000
2014	154,500
2015	<u>159,132</u>
Total	<u>\$ 490,299</u>

COUNCIL FOR ECONOMIC EDUCATION

NOTES TO FINANCIAL STATEMENTS

Note 11- Other program services expenses:

CEE's other program services expenses for the year ended December 31, 2011 consisted of the following:

	<u>2011</u>
Affiliated councils and centers	\$ 307,076
Program development, coordination and oversight	19,280
Technology	38,942
Publications development and cost of sales	379,557
Marketing and communications	336,977
Economic and financial education advocacy	36,837
Media, public and government relations	29,183
	<u>\$1,147,852</u>

Note 12- Prior period adjustments:

CEE has recorded a prior period adjustment to correct certain errors that occurred in the prior year. The errors occurred when temporarily restricted net assets were not appropriately released.

The effect on net assets as of January 1, 2011 is an increase in unrestricted net assets and a decrease in temporarily restricted net assets of \$170,356. There was no effect on total net assets.

The effect on the change in net assets for the year ended December 31, 2010 is a decrease in the change in temporarily restricted net assets and an increase in the change in unrestricted net assets of \$170,356.

COUNCIL FOR ECONOMIC EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011

Federal Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	Federal <u>Expenditures</u>
U.S. Department of Education: International Education Exchange	84.304	\$ 3,654,967
Fund for the Improvement of Education	84.215	<u>1,623,679</u>
Total Expenditures of Federal Awards		<u>\$ 5,278,646</u>

See Note to Schedule of Expenditures of Federal Awards.

COUNCIL FOR ECONOMIC EDUCATION

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of presentation:

Basis of presentation:

The accompanying schedule of expenditures of Federal awards includes the Federal grant expenditures of the Council for Economic Education for the year ended December 31, 2011 and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some accounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

Subrecipients:

There were no Federal awards provided to subrecipients.