THE FOUNDATION FOR ECONOMIC EDUCATION, INC.

FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION

MARCH 31, 2011

KASS & JAFFE, PC
CERTIFIED PUBLIC ACCOUNTANTS

THE FOUNDATION FOR ECONOMIC EDUCATION, INC.

MARCH 31, 2011

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KASS & JAFFE, PC
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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Foundation for Economic Education, Inc.
Irvington, New York 10533

We have audited the accompanying statement of financial position of The Foundation for Economic Education, Inc. as of March 31, 2011 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. 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 significant estimates made by management, as well as evaluating the overall financial statements 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 The Foundation for Economic Education, Inc. as of March 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

Kass & Jaffe, P.C.

White Plains, New York
August 12, 2011

THE FOUNDATION FOR ECONOMIC EDUCATION, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2011

ASSETS

Current Assets	
Cash and cash equivalents	$ 607,799
Unconditional promises to give	301,495
Inventory	32,812
Investments	3,306,004
Investment in privately held Company	1,015,800
Accrued interest receivable	16,159
Prepaid expenses and other current assets	110,022
TOTAL CURRENT ASSETS	5,390,091
Deposit held in escrow	100,036
Property and equipment, at cost, net of accumulated depreciation of $1,750,039	278,657
Other Assets	
Security Deposit	1,046
Investments - held in trust	133,542
Investments - held in trust by others	353,591
TOTAL OTHER ASSETS	488,179
TOTAL ASSETS	$ 6,256,963

LIABILITIES AND NET ASSETS

Current Liabilities	
Capital lease - current portion	$ 5,399
Accounts payable and sundry liabilities	141,464
Charitable gift annuities - current portion	9,437
TOTAL CURRENT LIABILITIES	156,300
Escrow deposit payable	100,036
Other Liabilities	
Capital lease	11,698
Funds held in trust	133,542
Charitable gift annuities	43,417
TOTAL OTHER LIABILITIES	188,657
TOTAL LIABILITIES	444,993
Commitments and Contingency	
Net Assets	
Unrestricted	3,712,340
Unrestricted - reserve on charitable gift annuity	100,000
TOTAL UNRESTRICTED	3,812,340
Temporarily restricted	514,530
Permanently restricted	1,485,100
TOTAL NET ASSETS	5,811,970
TOTAL LIABILITIES AND NET ASSETS	$ 6,256,963

See independent auditor's report and notes to financial statements.

THE FOUNDATION FOR ECONOMIC EDUCATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support				
Contributions	$3,350,724	$ 355,276	$ -	$3,706,000
Publication income(loss)(net of cost of $35,920)	518	-	-	518
Royalties	24,315	-	-	24,315
S Corporation income(loss)(taxes of $90)	24,654	-	-	24,654
Net investment income (loss)	172,915	4,799	10,389	188,103
Miscellaneous	5,890	-	-	5,890
	3,579,016	360,075	10,389	3,949,480
Net assets released from restrictions				
Satisfaction of time and program restrictions	93,748	(93,748)	-	-
Total Revenues, Gains and Other Support	3,672,764	266,327	10,389	3,949,480
Expenses				
Program Services				
Seminars and lectures	1,307,958	-	-	1,307,958
Books and publications	599,584	-	-	599,584
Website outreach	343,592	-	-	343,592
Total Program Services	2,251,134	-	-	2,251,134
Supporting Services				
Management and general	385,062	-	-	385,062
Fund raising/development	212,239	-	-	212,239
Total Supporting Services	597,301	-	-	597,301
Total Expenses	2,848,435	-	-	2,848,435
INCREASE (DECREASE) IN NET ASSETS	824,329	266,327	10,389	1,101,045
NET ASSETS, BEGINNING OF YEAR	2,745,818	248,203	1,474,711	4,468,732
PRIOR PERIOD ADJUSTMENT	242,193	-	-	242,193
NET ASSETS, BEGINNING OF YEAR, RESTATED	2,988,011	248,203	1,474,711	4,710,925
NET ASSETS, AT END OF YEAR	$3,812,340	$ 514,530	$1,485,100	$5,811,970

See independent auditor's report and notes to financial statements.

THE FOUNDATION FOR ECONOMIC EDUCATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	$ 1,101,045
Adjustments to reconcile changes in net assets to net cash used by operating activities:	
Depreciation	81,070
Prior period adjustment	15,000
Unrealized gain on investments	(134,071)
Realized loss on sale of investments	6,116
Donated equities in investments	(16,316)
Increase in unconditional promises to give	(228,276)
Increase in inventory	(2,666)
Increase in accrued interest receivable	(647)
Increase in prepaid expenses and other assets	(12,044)
Increase in accounts payable and sundry liabilities	53,803
NET CASH PROVIDED BY OPERATING ACTIVITIES	863,014
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(18,242)
Net payments for funds held in trust	(2,515)
Net payments for charitable gift annuity	(10,815)
Purchase of investments	(2,334,224)
Proceeds from sale of investments	1,939,458
NET CASH USED BY INVESTING ACTIVITIES	(426,338)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments for capital leases	(4,949)
NET INCREASE IN CASH AND CASH EQUIVALENTS	431,727
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	176,072
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 607,799

Supplemental disclosures of cash flow information:

Cash paid during the year for	
Interest	$ -0-
Income taxes	$ (1,651)

See independent auditor's report and notes to financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Foundation for Economic Education, Inc. ("Foundation") is a not-for-profit organization incorporated in the State of New York. Its purpose is to promote the principles of sound economics, including individual freedom, private property, limited government and free trade. The Foundation publishes pamphlets, books and *The Freeman* monthly magazine, as well as opinion editorials dealing with topics of economics, history and moral philosophy. The Foundation also conducts introductory and advanced seminars, debates and runs web sites promoting economic education.

B. CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid instruments with a maturity of three months or less, including its investment in money market funds, to be cash equivalents.

C. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost or, if donated, at the fair value at the date of the donation. Major renewals and improvements are capitalized, while replacements, maintenance and repairs, which do not materially extend the useful lives of the assets, are expended. Depreciation is recorded on the straight line method over the estimated useful lives of the assets.

D. INVENTORY

The Foundation maintains an inventory of its publications for sale. Inventory is stated at the lower of cost or market determined on a first-in first-out basis.

E. INVESTMENTS

The Foundation reports investments in accordance with Statement of Financial Accounting Standards (SFAS) No. 124 *Accounting for Certain Investments Held by Not-For-Profit Organizations*. Under SFAS No. 124, the Foundation reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. INVESTMENTS (Continued)

As amended by SFAS Staff Position, donors that create endowment funds can require that their gifts be invested in perpetuity or for a specific term. As described previously, some donors may require that the portion of the income, gains or both be added to gift and invested subject to similar restrictions. In states, such as New York State, that have enacted a version of the Uniform management of Institutional Funds Act of 1972("UMIFA") whose relevant law is based on trust law, it is generally understood that at least the amount of the original gift and any required accumulation is not expendable, although the value of the investments purchased may occasionally fall below that amount. Future appreciation of the investments generally restores the value to the required level. In states that have enacted its provisions, UMIFA described "historical dollar value" as the amount that is not expendable. In states that have enacted the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), which is further explained in SAFS Staff Position 117-1, whereby the elimination of the historical dollar value threshold on the net asset classification of the donor restricted endowment fund without explicit donor stipulation. New York State has not adopted UPMIFA.

F. ADVERTISING

Advertising costs are expended as incurred. For the year ended March 31, 2011, the costs expended were $7,043.

G. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. FINANCIAL STATEMENTS

The Foundation presents its financial statements in accordance with SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. CONTRIBUTIONS AND UNCONDITIONAL PROMISES TO GIVE

The Foundation reports contributions received in accordance with SFAS No. 116 *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible promises receivable. The allowance is based upon prior years' experience and managements' analysis of specific promise made. Management believes that all of the unconditional promises to give are collectible.

J. ACCOUNTS RECEIVABLE

The Foundation considers accounts receivable to be fully collectible, therefore, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to bad debt expense when that determination is made.

K. INCOME TAXES

The Foundation has been granted exemption from federal income taxation pursuant to Section 501(c)(3)of the Internal Revenue Code and has been classified as an organization which is not a private foundation. However, the Foundation has unrelated business income and therefore, files and remits unrelated business income taxes on those activities.

NOTE 2 - NET ASSETS

A. Unrestricted Net Assets

An analysis of the changes in unrestricted net assets for the year ended March 31, 2011, is as follows:

	Operating	Property And Equipment	Total	Reserve Gift Annuity
Net Assets, April 1,2010	$2,304,333	$ 341,487	$2,645,818	$100,000
Changes in Net Assets	905,399	(81,070)	824,329	-0-
Prior Period Adjustment	242,193	-0-	242,193	-0-
Appropriations	(18,242)	18,242	-0-	-0-
Net Assets, March 31,2011	$3,433,683	$ 278,657	$3,712,340	$100,000

B. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted either by time or for future programs. These restrictions are classified as such:

Western Mass. Discussion	$ 24,746
Maughmer/WSU Project	6,249
Whitman Scholarships	34,389
Eugene Thrope Award	25,651
Austrian Economics	20,000
Anthology of Economic History	20,000
Hecht Fdn - Summer Seminars Multi-Year	254,975
Louis Church - Summer Seminars Multi-Year	48,520
Patterson - Atlanta Students	15,000
Summer Session Conference 2011	25,000
Student Summer Seminars 2011	40,000
	$ 514,530

C. Permanently Restricted Net Assets

Permanently restricted net assets include contributions and grants specified by the donor to be used for endowment as follows:

Berkheimer Endowment	$ 150,397	$ 150,397
Krogdahl Trust	31,561	31,561
Maughmer Bequest	1,100,075	1,081,653
Warren Trust	157,617	133,436
Charlene Barr Chalberg Endowment	90,000	88,053
Corpus	1,529,650	
Market reduction	(44,550)	
Adjusted Corpus	$1,485,100	$1,485,100

NOTE 2 - NET ASSETS (Continued)

C. Permanently Restricted Net Assets (Continued)

The following is a brief summary of the stipulations of the donor for the previously mentioned endowment funds:

a. The Berkheimer Endowment requires that income generated from the endowment is first added to corpus up to the CPI index of the fund and the remaining balance is to be used for unrestricted purposes.

b. The Krogdahl Trust does not restrict the use of income generated and therefore, can be used for unrestricted purposes.

c. The Maughmer bequest requires that 20% of net earnings be expended for agreed-upon projects of the Foundation for Economic Education-Maughmer Fund, located at Washington State University. The remaining 80% of net earnings is required to be expended by the Foundation on the education of students in the Mountain and/or in the Pacific States.

d. The Warren Trust does not restrict the use of income generated and therefore, can be used for unrestricted purposes.

e. The Charlene Barr Chalberg Endowment requires that the income generated from the endowment is to be used for "Charlene Barr Memorial Scholarships" to support high school students attending the Freedom 101 Program.

NOTE 3 - INVESTMENTS

Investments at March 31, 2011 consist of the following:

	Market Value	Cost/Basis
Government Securities	$ 3,248,701	$ 3,256,470
Common Stock and Equities	1,015,800	1,393,921
Mutual Funds and Other	544,436	516,087
	4,808,937	5,166,478
Less: Investments held in trust	(133,542)	(133,542)
Less: Investments held in trust by others	(353,591)	(325,922)
Less: Investment in privately held Company	(1,015,800)	(1,393,921)
	$ 3,306,004	$ 3,313,093

NOTE 3 - INVESTMENTS (Continued)

A) See Note 6 for investment held in a trust.

B) During the year ended March 31, 2001, the Foundation received a donation of 20,000 shares in a privately held S Corporation. The investment is less than 5% of the ownership and is stated at fair value based on an independent annual appraisal. The Foundation reports its share of the income generated and passed-through by the S Corporation. In accordance with the Internal Revenue Code, the Foundation is liable and remits unrelated business income taxes on that income, see Note 1K.

For the year ended March 31, 2011, the Foundation reported net income of $24,744 and $90 of unrelated business income tax expense.

The following is summary of net investment income for the year ended March 31, 2011:

Interest and dividends	$ 77,853
Realized (loss) on sale of investments	(6,116)
Unrealized (loss) on investments	134,071
	205,808
Portfolio management fees	(17,705)
	$ 188,103

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give, as of March 31, 2011, are due as follows:

	Unrestricted	Restricted To Future Period	Total
Due in less than one year	$ 73,000	$ 110,000	$ 183,000
Due in one to two years	-0-	127,333	127,333
Due on two to three years	-0-	10,000	10,000
	73,000	247,333	320,333
Less: present value @ 5%	-0-	(18,838)	(18,838)
	$ 73,000	$ 228,495	$ 301,495

Based on management's experience, uncollectible promises are not expected.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment, as of March 31, 2011, consist of the following:

	Useful Life	Cost/Basis
Buildings and improvements	10/33.3/39 years	$ 949,842
Furniture and equipment	5/7/16.6 years	683,331
Computer equipment	5 years	395,523
		2,028,696
Less: accumulated depreciation		1,750,039
		278,657
Land		9,122
		$ 269,535

Depreciation expense for the year ended March 31, 2011 was $81,070.

Computer equipment above includes software purchased with a capital lease of $26,994, with a book value of $9,373.

Maturities of capital lease long term

Year ending March 31, 2013	$ 5,399
Year ending March 31, 2014	5,399
Year ending March 31, 2015	900
	$ 11.698

NOTE 6 - CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances at several financial institutions and brokerage firms in New York. The cash accounts at each of these financial institutions are insured by the Federal Deposit Insurance Corp., and other insurance organizations up to $250,000. At March 31, 2011, the uninsured cash balance totals $90,487.

NOTE 7 - FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and the supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting services benefitted.

NOTE 8 - DONATED SERVICES

The Foundation receives donated services from unpaid volunteers. The value of such contributions is not reflected in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

NOTE 9 - INVESTMENT/FUNDS HELD IN TRUST

During the year ended March 31, 2004, the Foundation became the executor of the Warren Trust. The corpus of the trust was equally divided between the Foundation and another not-for-profit organization. The funds are held in a separate investment account and the income generated, if any, is distributed in accordance with the trust. The Foundation's share of the corpus is reflected as permanently restricted net assets, see note 2C.

NOTE 10 - INVESTMENTS/FUNDS HELD IN TRUST BY OTHERS

In prior years, two donors established trusts naming the Foundation as the remainder beneficiary of charitable remainder trusts. The trustee of these trusts is not the Foundation and they are held and administered by others on its behalf. When the trusts are terminated, the trust assets will be distributed to the Foundation. The combined trust assets held are reported at their fair market value of $101,836 with a cost basis of $96,031.

A prior period adjustment was reported to reflect an another established trust naming the Foundation as a 50% remainder beneficiary of a charitable uni-trust. This trust was established on May 15, 2009 and the trustee of this trust is also not the Foundation and is held and administered by another on its behalf. When the trust is terminated, the trust assets will be distributed to the Foundation. The trust assets held (50%) are reported at their fair market value of $251,755 with a cost basis of $229,891.

Net realized/unrealized gain and interest income was reported in the statement of activities for the year ended March 31, 2011 of $32,560 and $8,162, respectively.

NOTE 11 - EVALUATION OF SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through August 12, 2011, the date which the financial statements were available to be issued.

NOTE 12 - PRIOR PERIOD ADJUSTMENTS

The Foundation reported a prior period adjustment of $242,193, for the following reasons: 1) to record the 50% balance, as of March 31, 2010, of the established charitable uni-trust, of $227,193 (see Note 10), and 2) record an estimated $15,000, for gold coins that were donated in prior years but not reflected on the books.

NOTE 13 - CHARITABLE GIFT ANNUITY

On December 3, 2007, a charitable gift annuity agreement (split-dollar agreement) was executed by a donor with the Foundation. The donor provided the Foundation with a charitable gift of $50,000 to establish a segregated investment account. An annual annuity payment of $4,550, paid on a quarterly basis, was calculated using a 9.1% discount rate. The present value of the future annuity payments to the beneficiaries, using a 5.3481% actuarial rate, was $15,254 and shown in liabilities. The present value is to be re-calculated on annual basis and any adjustments are to be reported in the statement of activities. For the year ending March 31, 2011, quarterly payments of $4,550 plus $1,137 in arrears were made and $1,894 was reported on the statement of activities.

On December 1, 2009, another charitable gift annuity agreement (split-dollar agreement) was executed by the same donor above with the Foundation. The donor provided the Foundation with a charitable gift of $100,000. An annual annuity payment of $8,700, paid on a quarterly basis, was calculated using a 8.7% discount rate. The present value of the future annuity payments to the beneficiaries, using a 5.129% actuarial rate, was $37,600 and shown in liabilities. The present value is to be re-calculated on annual basis and any adjustments are to be reported in the statement of activities. For the year ending March 31, 2011, quarterly payments of $8,700 plus $2,175 in arrears were made and $3,853 was reported on the statement of activities.

New York State required that the Foundation establish a reserve account for its Charitable Gift Annuities. The Foundation has established a $100,000 reserve account.

NOTE 14 - DEPOSIT HELD IN ESCROW/PAYABLE

On January 26, 2010, a purchase/sale agreement was made by the Foundation to sell the existing property ("as is") in Irvington, New York, whereby its main offices are located, for a sale price of $3,100,000. The purchaser is to use the property as an assisted living facility and the agreement provides for a approval contingency (zoning and others). On the first anniversary of agreement or the Due Diligence Effective Period (January 4, 2011), a non-refundable deposit will be provided and held in an interest bearing escrow account. The deposit of $100,000 was received on January 27, 2011 by the escrow agent. If after the first anniversary of Due Diligence Expiration Date (March 5, 2011) and if the purchaser has not terminated the agreement by March 5, 2012, then the deposit will be paid to the Foundation.

NOTE 15 - COMMITMENTS AND CONTINGENCY

A) The Foundation leases various office equipment which are accounted for as operating leases. The following is a summary of the future minimum lease payments:

NOTE 15 - COMMITMENTS AND CONTINGENCY (Continued)

Year ending March 31, 2012	$ 10,116
Year ending March 31, 2013	10,116
Year ending March 31, 2014	10,116
	$ 30,348

B) The Foundation's unrelated business income tax returns for the years ended March 31, 2010, 2009 and 2008 are subject to audit by the appropriate tax authorities.

C) The Foundation sponsors a tax-deferred annuity plan under section 403 (b) of the Internal Revenue Code. All employees are eligible to participate in this plan, to which they may contribute any whole percentage of their salary up to the maximum permitted by law. As of March 31, 2011, there is $0 payable to the trustee for the employee contributions to this plan.

D) The Foundation has renewed its existing management and maintenance contract with the Building Contractor on July 18, 2010. The contract requires monthly installments of $7,161 and expires on July 18, 2011.

NOTE 16 - FAIR VALUE MEASUREMENTS

SFAS Accounting Standards Codification ("ASC 820") *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

A) Quoted prices for similar assets or liabilities in active markets;

B) Quoted prices for identical or similar assets or liabilities in inactive markets;

C) Inputs other than quoted prices that are observable for asset or liability;

D) Inputs that are derived principally from or corroborated by observable marked data by correlation or other means.

NOTE 16 - FAIR VALUE MEASUREMENTS (Continued)

Level 3: Inputs to the valuation methodology are unobservable.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. The have been no changes in the methodologies used at March 31, 2011.

Mutual funds: Valued at the net asset value of shares held at year end.

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of March 31, 2011.

	Level 1	Level 2	Level 3	Total
Government Securities-Fixed	$3,248,701	$ -0-	$ -0-	$3,348,701
Common Stock	-0-	-0-	1,015,800	1,015,800
Preferred Stock	-0-	-0-	-0-	-0-
Mutual funds-Fixed Income	544,436	-0-	-0-	150,587
Total assets at fair value	$3,793,137	$ -0-	$1,015,800	$4,808,937

ADDITIONAL INFORMATION

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

The Board of Trustees
The Foundation for Economic Education, Inc.
Irvington, New York 10533

Our report on our audit of the basic financial statements of The Foundation for Economic Education, Inc. for 2010 appears on page 1. The audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses for the year ended March 31, 2011 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kass & Jaffe, P.C.

White Plains, New York
August 12, 2011

THE FOUNDATION FOR ECONOMIC EDUCATION, INC.
FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2011

	PROGRAM SERVICES				SUPPORTING SERVICES			
	SEMINARS & LECTURES	BOOKS & PUBLICATIONS	WEBSITE OUTREACH	TOTAL PROGRAMS	MANAGEMENT & GENERAL	FUND RAISING/ DEVELOPMENT	TOTAL SUPPORTING SERVICES	TOTAL
Salaries	$ 282,401	$ 200,634	$145,100	$ 628,135	$ 73,652	$ 85,941	$ 159,593	$ 787,728
Payroll Taxes and Employee Benefits	57,404	40,782	29,494	127,680	14,971	17,469	32,440	160,120
Employee Training	1,742	1,238	895	3,875	453	530	983	4,858
Employee Travel	44,496	4,621	5,846	54,963	41,834	7,220	49,054	104,017
Internship	14,480	-	-	14,480	7,850	-	7,850	22,330
Grants to Organizations/Donations	4,993	-	-	4,993	500	240	740	5,733
Seminar Student Expenses	476,802	-	-	476,802	-	-	-	476,802
Professional Fees	131,505	71,627	22,024	225,156	107,299	1,295	108,594	333,750
Outside Services	57,358	133,738	52,019	243,117	53,402	36,057	89,459	332,576
Supplies	29,188	3,278	4,290	36,756	6,317	5,593	11,910	48,666
Postage and Delivery	9,332	24,697	33	34,062	12,898	6,150	19,048	53,110
Telephone	9,679	6,875	4,972	21,526	2,524	2,945	5,469	26,995
Utilities	16,705	11,868	8,583	37,156	4,357	5,084	9,441	46,597
Maintenance and Repairs	44,742	31,787	22,989	99,518	11,669	13,616	25,285	124,803
Rental Expenses	49,633	35,262	25,502	110,397	12,946	15,104	28,050	138,447
Travel - Other	31,922	3,235	968	36,125	5,748	2,588	8,336	44,462
Advertising and Promotional Expenses	5,573	1,005	289	6,867	175	-	175	7,042
Insurance	6,095	4,331	3,132	13,558	1,590	1,855	3,445	17,003
Depreciation	29,063	20,649	14,933	64,645	7,579	8,846	16,425	81,070
Real Estate Taxes	4,751	3,375	2,441	10,567	1,240	1,446	2,686	13,253
Dues and Subscriptions	70	562	68	700	2,496	140	2,636	3,336
Small Gifts and Awards	-	-	-	-	236	111	347	347
Bank Charges	-	-	-	-	1,378	-	1,378	1,378
Credit Card and Other Fees	-	-	-	-	12,923	-	12,923	12,923
Statutory Fees	-	-	-	-	1,018	-	1,018	1,018
License and Permits	27	19	14	60	7	8	15	75
Total Expenses	$ 1,307,958	$ 599,584	$ 343,592	$ 2,251,134	$ 385,062	$ 212,239	$ 597,301	$ 2,848,435