
PEOPLE FOR EDUCATION

FINANCIAL STATEMENTS

JUNE 30, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members,
People for Education

We have audited the accompanying financial statements of People for Education which comprise the statement of financial position as at June 30, 2016, and the statements of operations and changes in 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 accounting standards for not-for-profit organizations 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 People for Education as at June 30, 2016, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Conperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

September 14, 2016
Toronto, Ontario

PEOPLE FOR EDUCATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

	2016	2015
ASSETS		
Current assets		
Cash	\$ 460,679	\$ 435,229
Short-term investments (note 3)	85,683	84,750
Amounts receivable from governments	58,011	33,494
Other accounts receivable	762	22,191
Prepaid expenses	<u>2,448</u>	<u>4,400</u>
	<u>\$ 607,583</u>	<u>\$ 580,064</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,719	\$ 10,000
Deferred contributions (note 4)	<u>187,498</u>	<u>155,574</u>
	<u>192,217</u>	<u>165,574</u>
Net assets		
Unrestricted	<u>415,366</u>	<u>414,490</u>
	<u>\$ 607,583</u>	<u>\$ 580,064</u>

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

PEOPLE FOR EDUCATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
REVENUE		
Grants (note 5)	\$ 613,073	\$ 683,927
Donation and event fundraising	280,290	396,292
Speaking fees and other	<u>21,592</u>	<u>51,797</u>
	<u>914,955</u>	<u>1,132,016</u>
EXPENSES		
Salaries and benefits	481,010	345,059
Contracted services	130,612	331,422
Communications and engagement	106,700	132,204
Administration	73,566	84,928
Events	64,467	57,697
Capacity building and evaluation	43,362	16,325
Research	<u>14,362</u>	<u>13,661</u>
	<u>914,079</u>	<u>981,296</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	876	150,720
Net assets, beginning of year	<u>414,490</u>	<u>263,770</u>
NET ASSETS, END OF YEAR	<u>\$ 415,366</u>	<u>\$ 414,490</u>

see accompanying notes

PEOPLE FOR EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 876	\$ 150,720
Net change in non-cash working capital items (see below)	<u>25,506</u>	<u>(9,927)</u>
Net cash generated from operating activities	26,382	140,793
INVESTING ACTIVITIES		
Purchase of short-term investments	<u>(932)</u>	<u>(339)</u>
NET INCREASE IN CASH FOR THE YEAR	25,450	140,454
Cash, beginning of year	<u>435,229</u>	<u>294,775</u>
CASH, END OF YEAR	<u>\$ 460,679</u>	<u>\$ 435,229</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	\$ (3,089)	\$ (15,259)
Prepaid expenses	1,953	(2,083)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(5,281)	(14,627)
Deferred contributions	<u>31,923</u>	<u>22,042</u>
	<u>\$ 25,506</u>	<u>\$ (9,927)</u>

see accompanying notes

PEOPLE FOR EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

People for Education is a not-for-profit organization incorporated without share capital in the Province of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization is dedicated to the ideal of a fully publicly-funded education system that guarantees every child access to the education that meets his or her needs. The organization works toward this ideal by doing research, by providing clear, accessible information to the public and by engaging people to become actively involved in education issues in their own community.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) The organization follows the deferral method of revenue recognition for contributions. Grants related to current expenditures are reflected in the accounts as revenue in the current year. Grants received in the year for expenses to be incurred in the following fiscal year are recorded as deferred revenue. Grants related to the purchase of capital assets are recorded as revenue in the same period the related assets are charged to operations.
- iii) Speaking and other fees and related expenses are recognized in the period the services are provided.
- iv) Fundraising and donation revenue is recorded when funds are received. Donated materials and services which are normally purchased by the organization are not recorded in the accounts.
- v) Interest income is recognized in the period earned.

Capital assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives.

2. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization records financial instruments, which include cash, short-term investments, accounts receivable and accounts payable and accrued liabilities, initially at fair value. Short-term investments comprise guaranteed investment certificates and are recorded at cost plus accrued interest. All other financial instruments are subsequently recorded net of any provisions for impairment in value.

The following are those financial instruments considered particularly significant and their related financial risks:

- i) Accounts receivable are regularly monitored to minimize credit risk from uncollected revenue. The organization's losses from uncollected revenue have been minimal.
- ii) Fluctuations in market interest rates do not result in significant interest rate risks affecting future cash flows from the fixed rate guaranteed investment certificates.
- iii) The organization expects to meet its financial obligations for accounts payable and accrued liabilities through cash flows from operations.

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3. SHORT-TERM INVESTMENTS

Short-term investments comprise 0.80% guaranteed investment certificates issued by a Canadian credit union and maturing in November 2016.

4. DEFERRED CONTRIBUTIONS

Deferred contributions are composed of the following:

	2016	2015
Ontario Ministry of Education	\$ 99,841	\$ 68,533
The J.W. McConnell Family Foundation	38,682	-
Higher Education Quality Council of Ontario	29,869	-
The Atkinson Charitable Foundation	13,761	17,507
The Counselling Foundation of Canada	5,345	21,858
The Ontario Trillium Foundation	-	47,676
	<u> </u>	<u> </u>
Deferred contributions, end of year	<u>\$ 187,498</u>	<u>\$ 155,574</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 155,574	\$ 133,533
Add cash received from grants	644,997	705,968
Less grants recognized (note 5)	<u>(613,073)</u>	<u>(683,927)</u>
	<u> </u>	<u> </u>
Deferred contributions, end of year	<u>\$ 187,498</u>	<u>\$ 155,574</u>

5. GRANTS

Grants recognized in the year were as follows:

	2016	2015
Ontario Ministry of Education	\$ 149,713	\$ 262,520
The Ontario Trillium Foundation	146,076	101,124
The J.W. McConnell Family Foundation	111,318	-
The Counselling Foundation of Canada	82,088	63,290
The Atkinson Charitable Foundation	78,747	52,493
R. Howard Webster Foundation	25,000	25,000
Higher Education Quality Council of Ontario	20,131	100,000
Toronto Community Foundation	-	30,000
Laidlaw Foundation	-	30,000
RBC Foundation	-	12,000
Chawkers Foundation	-	7,500
	<u> </u>	<u> </u>
	<u>\$ 613,073</u>	<u>\$ 683,927</u>

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6. LEASE COMMITMENTS

The organization rents space under a lease ending June 30, 2017. Minimum lease payments during the term of the lease are \$17,010 annually.

7. COMPARATIVE FINANCIAL INFORMATION

The expenses for the year ended June 30, 2015 have been reclassified to conform with the basis of presentation adopted in 2016.