
PEOPLE FOR EDUCATION

FINANCIAL STATEMENTS

JUNE 30, 2017

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, 2017, 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, 2017, 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.

Other Matter

The financial statements of People for Education as at and for the year ended June 30, 2016 were audited by another auditor who expressed an unqualified opinion on those financial statements on September 14, 2016.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

September 20, 2017
Toronto, Ontario

PEOPLE FOR EDUCATION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2017

	2017	2016
ASSETS		
Current assets		
Cash	\$ 522,196	\$ 460,679
Guaranteed investment certificates (note 3)	86,370	85,683
Amounts receivable from governments	10,197	58,011
Other accounts receivable	1,910	762
Prepaid expenses	<u>1,474</u>	<u>2,448</u>
	<u>\$ 622,147</u>	<u>\$ 607,583</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,073	\$ 4,719
Deferred contributions (note 4)	<u>152,975</u>	<u>187,498</u>
	<u>161,048</u>	<u>192,217</u>
Net assets		
Unrestricted	<u>461,099</u>	<u>415,366</u>
	<u>\$ 622,147</u>	<u>\$ 607,583</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, 2017

	2017	2016
REVENUE		
Grants (note 5)	\$ 640,263	\$ 613,073
Donation and event fundraising	287,611	280,290
Speaking fees and other	<u>14,339</u>	<u>21,592</u>
	<u>942,213</u>	<u>914,955</u>
EXPENSES		
Salaries and benefits	509,559	481,010
Communications and engagement	122,082	106,700
Contracted services	110,943	130,612
Administration	67,676	73,566
Events	61,984	64,467
Research	15,744	14,362
Capacity building and evaluation	<u>8,492</u>	<u>43,362</u>
	<u>896,480</u>	<u>914,079</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	45,733	876
Net assets, beginning of year	<u>415,366</u>	<u>414,490</u>
NET ASSETS, END OF YEAR	<u>\$ 461,099</u>	<u>\$ 415,366</u>

see accompanying notes

PEOPLE FOR EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 45,733	\$ 876
Net change in non-cash working capital items (see below)	<u>16,471</u>	<u>25,506</u>
Net cash generated from operating activities	62,204	26,382
INVESTING ACTIVITIES		
Purchase of guaranteed investment certificates	<u>(687)</u>	<u>(932)</u>
NET INCREASE IN CASH FOR THE YEAR	61,517	25,450
Cash, beginning of year	<u>460,679</u>	<u>435,229</u>
CASH, END OF YEAR	<u>\$ 522,196</u>	<u>\$ 460,679</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Amounts receivable from governments	\$ 47,815	\$ (24,517)
Other accounts receivable	(1,148)	21,428
Prepaid expenses	974	1,953
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	3,353	(5,281)
Deferred contributions	<u>(34,523)</u>	<u>31,923</u>
	<u>\$ 16,471</u>	<u>\$ 25,506</u>

see accompanying notes

PEOPLE FOR EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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 independent and non-partisan, and works to support and advance public education through research, policy, and public engagement. The organization's vision is for a strong, equitable and prosperous Canada where universal public education fulfills its role as a cornerstone of our society.

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, which include grants and donations. Contributions related to current expenditures are reflected in the accounts as revenue in the current year. Contributions received in the year for expenses to be incurred in the following fiscal year are recorded as deferred contributions. Contributions related to the purchase of capital assets are recorded as revenue in the same period the related assets are charged to operations. Fundraising and donation revenue is recorded when funds are received.
- iii) Speaking and other fees and related expenses are recognized in the period the services are provided.
- iv) 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, guaranteed investment certificates, accounts receivable and accounts payable and accrued liabilities, initially at fair value. Guaranteed investment certificates are recorded at cost plus accrued interest. All other financial instruments are subsequently recorded net of any provisions for impairment in value.

The organization's financial instruments are not exposed to significant financial risks.

3. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued by a Canadian credit union, bear interest at a rate of 0.75% and mature in November 2017.

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JUNE 30, 2017

4. DEFERRED CONTRIBUTIONS

Deferred contributions are composed of the following:

	2017	2016
Ontario Ministry of Education	\$ 101,601	\$ 99,841
Higher Education Quality Council of Ontario	46,875	29,869
The J.W. McConnell Family Foundation	4,499	38,682
The Atkinson Charitable Foundation	-	13,761
The Counselling Foundation of Canada	-	5,345
	<u>-</u>	<u>5,345</u>
Deferred contributions, end of year	<u>\$ 152,975</u>	<u>\$ 187,498</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 187,498	\$ 155,575
Add cash received from grants	605,740	644,996
Less grant revenue recognized (note 5)	<u>(640,263)</u>	<u>(613,073)</u>
Deferred contributions, end of year	<u>\$ 152,975</u>	<u>\$ 187,498</u>

5. GRANTS

Grant revenue recognized in the year were as follows:

	2017	2016
The J.W. McConnell Family Foundation	\$ 184,183	\$ 111,318
Ontario Ministry of Education	170,262	149,713
O'Neil Foundation	100,000	-
The Counselling Foundation of Canada	49,063	82,088
The Atkinson Charitable Foundation	48,761	78,747
Higher Education Quality Council of Ontario	32,994	20,131
Laidlaw Foundation	30,000	-
R. Howard Webster Foundation	25,000	25,000
The Ontario Trillium Foundation	-	146,076
	<u>-</u>	<u>146,076</u>
	<u>\$ 640,263</u>	<u>\$ 613,073</u>

6. LEASE COMMITMENTS

The organization leases office space in Toronto, Ontario. Minimum annual payments under the lease, which expires on June 30, 2018, are \$17,000.