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**PEOPLE FOR EDUCATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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## 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, 2018, 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, 2018, 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.

*Pennylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

September 26, 2018  
Toronto, Ontario

**PEOPLE FOR EDUCATION**

**STATEMENT OF FINANCIAL POSITION**

**AS AT JUNE 30, 2018**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 567,179	\$ 522,196
Guaranteed investment certificates (note 3)	87,018	86,370
HST rebate receivable	12,358	10,197
Accounts receivable	7,818	1,910
Prepaid expenses	<u>6,029</u>	<u>1,474</u>
	680,402	622,147
Capital assets (note 4)	<u>30,005</u>	<u>-</u>
	<u>\$ 710,407</u>	<u>\$ 622,147</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,827	\$ 8,073
Deferred contributions (note 5)	<u>136,660</u>	<u>152,975</u>
	<u>151,487</u>	<u>161,048</u>
Net assets		
Unrestricted	<u>558,920</u>	<u>461,099</u>
	<u>\$ 710,407</u>	<u>\$ 622,147</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, 2018

	2018	2017
<b>REVENUE</b>		
Grants (note 6)	\$ 570,336	\$ 640,263
Donation and event fundraising	303,496	287,611
Speaking fees and other	<u>18,879</u>	<u>14,339</u>
	<u>892,711</u>	<u>942,213</u>
<b>EXPENSES</b>		
Salaries and benefits	449,449	509,559
Administration	90,060	67,675
Research and communications	88,906	137,827
Contracted services	83,037	110,943
Events	71,853	61,984
Capacity building and evaluation	<u>11,585</u>	<u>8,492</u>
	<u>794,890</u>	<u>896,480</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	97,821	45,733
Net assets, beginning of year	<u>461,099</u>	<u>415,366</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 558,920</u>	<u>\$ 461,099</u>

see accompanying notes

# PEOPLE FOR EDUCATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 97,821	\$ 45,733
Net change in non-cash working capital items (see below)	<u>(22,185)</u>	<u>16,471</u>
Net cash generated from operating activities	<u>75,636</u>	<u>62,204</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of guaranteed investment certificates	(648)	(687)
Purchase of capital assets	<u>(30,005)</u>	<u>-</u>
Net cash used for investing activities	<u>(30,653)</u>	<u>(687)</u>
<b>NET INCREASE IN CASH FOR THE YEAR</b>	44,983	61,517
Cash, beginning of year	<u>522,196</u>	<u>460,679</u>
<b>CASH, END OF YEAR</b>	<u>\$ 567,179</u>	<u>\$ 522,196</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
HST rebate receivable	\$ (2,162)	\$ 47,815
Accounts receivable	(5,908)	(1,148)
Prepaid expenses	(4,554)	974
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	6,754	3,353
Deferred contributions	<u>(16,315)</u>	<u>(34,523)</u>
	<u>\$ (22,185)</u>	<u>\$ 16,471</u>

see accompanying notes

# PEOPLE FOR EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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People for Education is 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.
- ii) Donated materials and services which are normally purchased by the organization are not recorded in the accounts.
- iii) Speaking and other fees and related expenses are recognized in the period the services are provided.
- iv) 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

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.

# PEOPLE FOR EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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### 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 2018.

### 4. CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated Amortization	2018 Net	2017 Net
Leasehold improvements	<u>\$ 30,005</u>	<u>\$ -</u>	<u>\$ 30,005</u>	<u>\$ -</u>

The organization moved their office location at the end of June 2018 and as a result no amortization expense has been recorded.

### 5. DEFERRED CONTRIBUTIONS

Deferred contributions are composed of the following:

	2018	2017
Ontario Ministry of Education	\$ 50,000	\$ 101,601
Higher Education Quality Council of Ontario	50,000	46,875
O'Neil Foundation	32,144	-
Hamilton Community Foundation	4,516	-
The J.W. McConnell Family Foundation	<u>-</u>	<u>4,499</u>
	<u>\$ 136,660</u>	<u>\$ 152,975</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 152,975	\$ 187,498
Add cash received from grants	554,021	605,740
Less grant revenue recognized (note 6)	<u>(570,336)</u>	<u>(640,263)</u>
Deferred contributions, end of year	<u>\$ 136,660</u>	<u>\$ 152,975</u>

# PEOPLE FOR EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

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### 6. GRANTS

Grant revenue recognized in the year were as follows:

	2018	2017
The J.W. McConnell Family Foundation	\$ 154,499	\$ 184,183
Ontario Ministry of Education	140,622	170,262
O'Neil Foundation	117,856	100,000
Higher Education Quality Council of Ontario	46,875	32,994
Hamilton Community Foundation	45,484	-
The Counselling Foundation of Canada	40,000	49,063
R. Howard Webster Foundation	25,000	25,000
The Atkinson Charitable Foundation	-	48,761
Laidlaw Foundation	-	30,000
	<u>\$ 570,336</u>	<u>\$ 640,263</u>

### 7. LEASE COMMITMENT

The organization leases office space in Toronto, Ontario. Minimum annual payments under the lease, which expires on May 31, 2023 are as follows:

2019	24,100
2020	25,300
2021	26,500
2022	27,700
2023	26,400