
PEOPLE FOR EDUCATION

FINANCIAL STATEMENTS

JUNE 30, 2008

AUDITORS' REPORT

To the Members,
People for Education

We have audited the statement of financial position of People for Education as at June 30, 2008 and the statements of operations and net assets 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.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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 statement presentation.

In common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenses for the year, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donation and fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

September 2, 2008
Toronto, Ontario

PEOPLE FOR EDUCATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2008

	2008	2007
ASSETS		
Current assets		
Cash	\$ 161,551	\$ 292,223
Term deposits	75,000	
Accounts receivable	7,129	5,824
Prepaid expenses	<u>1,474</u>	<u>1,474</u>
	<u>\$ 245,154</u>	<u>\$ 299,521</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 20,899	\$ 21,906
Deferred revenue (note 4)	<u>95,626</u>	<u>150,486</u>
	<u>116,525</u>	<u>172,392</u>
Net assets		
Unrestricted	<u>128,629</u>	<u>127,129</u>
	<u>\$ 245,154</u>	<u>\$ 299,521</u>

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

PEOPLE FOR EDUCATION

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2008

	2008	2007
REVENUE		
Grants (note 5)	\$ 280,171	\$ 302,976
Donation and event fundraising	190,444	143,707
Memberships, speaking fees and other	<u>34,137</u>	<u>31,772</u>
	<u>504,752</u>	<u>478,455</u>
EXPENSES		
Research	139,727	86,039
Communications	132,094	164,418
Community development and partnerships	123,730	105,008
Fundraising	72,877	66,309
Administration	<u>34,824</u>	<u>23,024</u>
	<u>503,252</u>	<u>444,798</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	1,500	33,657
Net assets, beginning of year	<u>127,129</u>	<u>93,472</u>
NET ASSETS, END OF YEAR	<u>\$ 128,629</u>	<u>\$ 127,129</u>

see accompanying notes

PEOPLE FOR EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

	<u>2008</u>	<u>2007</u>
OPERATING ACTIVITIES		
Cash received from operations:		
Excess of revenue over expenses for the year	\$ 1,500	\$ 33,657
Net change in working capital items (see below)	<u>(57,172)</u>	<u>94,450</u>
Net cash generated from (used for) operations	(55,672)	128,107
INVESTING ACTIVITIES		
Purchase of term deposit	<u>(75,000)</u>	<u> </u>
NET CASH INCREASE (DECREASE) IN THE YEAR	(130,672)	128,107
Cash, beginning of year	<u>292,223</u>	<u>164,116</u>
CASH, END OF YEAR	<u>\$ 161,551</u>	<u>\$ 292,223</u>
Net change in working capital items:		
Decrease (increase) in accounts and grants receivable	\$ (1,305)	\$ 4,580
Decrease (increase) in prepaid expenses		(77)
Increase (decrease) in accounts payable and accrued liabilities	(1,007)	10,461
Increase (decrease) in deferred operating grant	<u>(54,860)</u>	<u>79,486</u>
	<u>\$ (57,172)</u>	<u>\$ 94,450</u>

see accompanying notes

PEOPLE FOR EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

1. THE ORGANIZATION

People for Education is a not-for-profit organization incorporated without share capital in the Province of Ontario.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the organization are in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant:

Revenue Recognition

The organization follows the deferral method of revenue recognition. Under the deferral method, grants received in the year for expenses to be incurred in the following year are recorded as deferred revenue.

Donated materials and services which are normally purchased by the organization are not recorded in the accounts.

Term deposits

Term deposits are carried at redemption value.

Property and equipment

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

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Specifically, significant assumptions have been made in arriving at the allocation of administrative expenses to programs. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

3. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, term deposits, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

PEOPLE FOR EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

4. DEFERRED REVENUE

Deferred revenue is composed of the following:

	2008	2007
The Atkinson Charitable Foundation	\$ 49,599	\$ 38,105
The Toronto Community Foundation	23,950	
Canadian Council on Learning	19,204	16,448
The Ontario Trillium Foundation	2,873	48,724
Canadian Auto Workers Union		33,755
Royal Bank of Canada Foundation		<u>13,454</u>
Deferred revenue, end of year	<u>\$ 95,626</u>	<u>\$ 150,486</u>

Continuity of deferred revenue for the year is as follows:

Deferred revenue, beginning of year	\$ 150,486	\$ 71,000
Add cash received from foundation grants in year	225,311	382,462
Less foundation grants recognized in year (note 5)	<u>(280,171)</u>	<u>(302,976)</u>
Deferred revenue, end of year	<u>\$ 95,626</u>	<u>\$ 150,486</u>

5. GRANTS

Grants recognized in the year were as follows:

	2008	2007
The Ontario Trillium Foundation	\$ 87,551	\$ 68,448
The Atkinson Charitable Foundation	58,506	84,864
Canadian Auto Workers Union	33,755	16,245
Ontario Library Association	34,590	18,000
Ontario Ministry of Education	31,021	23,821
Canadian Council on Learning	15,244	1,552
RBC Foundation	13,454	6,546
Toronto Community Foundation	6,050	5,000
Ontario Ministry of Education - Trustee Website		56,000
Laidlaw Foundation		20,000
PwC Canada Foundation		<u>2,500</u>
	<u>\$ 280,171</u>	<u>\$ 302,976</u>

6. LEASE COMMITMENTS

The organization rents space under a lease ending June 30, 2009. Minimum lease payments under the lease are as follows:

2009	<u>\$ 16,200</u>
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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

7. INCOME TAX STATUS

The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).