

Financial Statements of

**TEACH FOR CANADA/
ENSEIGNER POUR LE
CANADA**

Year ended August 31, 2021

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Financial Statements

Year ended August 31, 2021

Page

Independent Auditors' Report

Financial Statements

Statement of Financial Position	1
Statement of Operations and Changes in Net Assets	2
Statement of Cash Flows	3
Notes to Financial Statements	4



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INDEPENDENT AUDITORS' REPORT

To the Members of Teach for Canada/Enseigner pour le Canada

Opinion

We have audited the financial statements of Teach for Canada/Enseigner pour le Canada (the Organization), which comprise:

- the statement of financial position as at August 31, 2021
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Organization as at August 31, 2021, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements



Page 2

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Page 3

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

February 22, 2022

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Statement of Financial Position

August 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 451,910	\$ 252,920
Short-term investments	80,000	80,000
Accounts receivable (note 2)	102,620	234,607
Prepaid expenses	51,930	28,127
	<u>686,460</u>	<u>595,654</u>
Restricted cash	724,558	177,250
Tangible capital assets (note 3)	8,293	15,008
Intangible assets (note 4)	–	19,422
	<u>\$ 1,419,311</u>	<u>\$ 807,334</u>

Liabilities and Net Assets


Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 10,342	\$ 41,321
Deferred revenue	724,558	177,250
	<u>734,900</u>	<u>218,571</u>
Net assets:		
Unrestricted	684,411	588,763
	<u>\$ 1,419,311</u>	<u>\$ 807,334</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:



Director



Director

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Statement of Operations and Changes in Net Assets

Year ended August 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Donations from registered charities	\$ 761,438	\$ 1,239,245
Tax-receipted donations	514,601	393,810
Donations from outside Canada	29,723	20,678
Non-tax receipted donations	4,064	4,873
Government grants (note 8)	1,099,233	1,143,095
Investment income and interest	520	1,040
Donations in-kind	-	932
Other income	-	3,772
	<u>2,409,579</u>	<u>2,807,445</u>
Expenses:		
Program expenditures (note 9):		
Teacher training and support	759,109	716,578
Teacher recruitment and selection	511,360	565,850
Community engagement	283,368	368,368
	<u>1,553,837</u>	<u>1,650,796</u>
Support expenditures (note 10):		
Organizational governance and advisory	30,340	31,160
Fundraising and administration	729,754	751,015
	<u>760,094</u>	<u>782,175</u>
Total expenses	<u>2,313,931</u>	<u>2,432,971</u>
Excess of revenue over expenses	<u>95,648</u>	<u>374,474</u>
Net assets, beginning of year	588,763	214,289
Net assets, end of year	<u>\$ 684,411</u>	<u>\$ 588,763</u>

See accompanying notes to financial statements.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Statement of Cash Flows

Year ended August 31, 2021, with comparative information for 2020

	2020	2019
Cash provided by (used for):		
Operations:		
Excess of revenue over expenses	\$ 95,648	\$ 374,474
Amortization of tangible capital assets	8,014	10,366
Amortization of intangible capital assets	19,422	38,845
	123,084	423,685
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	131,987	(92,291)
Increase in prepaid expenses	(23,803)	(4,529)
Increase (decrease) in accounts payable and accrued liabilities	(30,979)	36,634
Increase in deferred revenue	547,308	104,128
	747,597	467,627
Investing activities:		
Additions to tangible capital assets	(1,299)	(1,056)
Increase in cash and cash equivalents	746,298	446,571
Cash (bank indebtedness), beginning of year	430,170	(16,401)
Cash, end of year	\$ 1,176,468	\$ 430,170
Represented by:		
Cash	\$ 451,910	\$ 252,920
Restricted cash	724,558	177,250
	\$ 1,176,468	\$ 430,170

See accompanying notes to financial statements.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements

Year ended August 31, 2021

Teach for Canada, (the “Organization”) was incorporated under the Canada Not-for-profit Corporation Act on March 20, 2012. It is a registered charity under section 149(1)(f) of the Income Tax Act (Canada) and as such, is exempt from income tax.

The Organization works with schools in remote communities to recruit, prepare, and retain committed teachers, with the goal of making education more equal in all regions of Canada.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies.

(a) Basis of presentation:

The Organization uses the deferral method of accounting for contributions for not-for-profit organizations.

(b) Revenue recognition:

Donation revenue from registered charities is recorded when the amounts are known, the amount is received or receivable and collection is reasonably assured.

Tax receipted donations are recorded when received.

Other revenue is recorded when received or receivable.

(c) Tangible capital assets and intangible assets:

Tangible capital assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method at the following rates:

Assets	Rate
Furniture and equipment	20%
Computer	25%
Intangible asset	3 years

(d) Contributed services:

Volunteers contribute countless hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2021

1. Significant accounting policies (continued):

(e) Expenses:

Program expenditures are incurred on teacher recruitment projects, teacher training and support projects, and community engagement projects. They are recognized as expenditures when the funds are disbursed by the Organization.

Expenses are recorded and reported by programs and support services. Certain officers and employees perform a combination of programs, fundraising and administrative activities. As a result, compensations are allocated based on time prorated to each activity. Expenditures directly related to the programs have been allocated based on the actual utilization of such expenses for each of the programs. Office rent and general advertising and promotions are allocated to administration and fundraising. Allocations are based on tracking of each expense and reviewed periodically by management.

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

2. Accounts receivable:

Accounts receivable are reimbursements from the Government of Ontario and GST/HST federal and provincial rebates granted to public service bodies. As all amounts are considered collectible and no allowance has been provided.

3. Tangible capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 18,731	\$ 16,930	\$ 1,801	\$ 2,572
Furniture and fixtures	37,559	31,067	6,492	12,436
	\$ 56,290	\$ 47,997	\$ 8,293	\$ 15,008

Cost and accumulated amortization at August 31, 2020 amounted to \$54,991 and \$39,983, respectively.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2021

4. Intangible assets:

Intangible assets relate to development of Teach for Canada's website. The website launched in October 2017.

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Website	\$ 116,533	\$ 116,533	\$ –	\$ 19,422

Cost and accumulated amortization at August 31, 2020 amounted to \$116,533 and \$97,111, respectively.

5. Accounts payable and accrued liabilities

There are no amounts included in accounts payable and accrued liabilities for government remittances such as sales or payroll related taxes.

6. Short-term loan:

- (a) The Organization has access to an \$80,000 credit facility. The facility can be utilized as a revolving demand with an interest rate of prime plus 2.0% per annum. As at year end, \$nil (2020 - \$nil) of this facility has been utilized.
- (b) The Organization has access to a \$50,000 credit facility. At year end, \$nil (2020 - \$2,724) of this facility has been utilized. This amount is included in the year end accounts payable and accrued liabilities balance on the statement of financial position.

7. Government grants:

Included in government grants are the following COVID-19 specific subsidies available from the federal government:

	2021	2020
Canada Emergency Wage Subsidy	\$ 397,000	\$ 226,000
Canada Emergency Rent Subsidy	75,000	114,000
	\$ 472,000	\$ 340,000

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2021

8. Financial instruments:

(a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there were no amounts allowed for in accounts receivable.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Organization believes it is not subject to significant market risk.

(d) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization believes it is not subject to significant interest rate risk arising from its financial instruments.

(e) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization believes it is not subject to significant currency risk as it does not hold any financial instruments that are denominated in a foreign currency.

(f) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization believes it is not subject to significant other price risk arising from its financial instruments.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2021

9. Program expenditures:

Year ended August 31	2021	2020
Teacher training and support projects		
Advertising and promotion	\$ 14,662	\$ 10,246
Travel and accommodation	(351)	83,347
Payroll and consulting fees	629,257	534,877
Training and general expenses	115,541	88,108
	<u>\$ 759,109</u>	<u>\$ 716,578</u>
Teacher recruitment and selection projects		
Advertising and promotion	\$ 53,673	\$ 52,532
Travel and accommodation	(294)	33,177
Payroll and consulting fees	411,411	426,677
Training and general expenses	46,570	53,464
	<u>\$ 511,360</u>	<u>\$ 565,850</u>
Community engagement projects		
Advertising and promotion	\$ 4,510	\$ 6,727
Travel and accommodation	22	37,180
Payroll and consulting fees	252,428	286,899
Supplies and operating expenses	26,408	37,562
	<u>\$ 283,368</u>	<u>\$ 368,368</u>

The program expenditures are expenses directly related to and attributed to the respective projects.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2021

10. Support expenditures:

Year ended August 31	2021	2020
Organizational governance and advisory		
Advertising and promotion	\$ 350	\$ 2,710
Travel and accommodation	–	4,874
Payroll and consulting fees	15,383	23,228
Supplies and operating expenses	14,607	348
	\$ 30,340	\$ 31,160
Fundraising and administration		
Advertising and promotion	\$ 14,324	\$ 15,387
Travel and accommodation	184	10,836
Payroll and consulting fees	589,771	569,596
Occupancy cost	49,748	51,849
Supplies and operating expenses	75,727	103,347
	\$ 729,754	\$ 751,015

11. Impact of COVID-19 pandemic:

The coronavirus disease (COVID-19) was declared a pandemic in March 2020. This has resulted in governments worldwide, including Canadian and certain provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which include implementation of travel bans, grounding of aircraft, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The Organization sought access to available Government support such as the Canadian Emergency Wage Subsidy. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Organization's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Organization is not known at this time.