

Financial Statements of

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

Year ended August 31, 2023

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Financial Statements

Year ended August 31, 2023

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Independent Auditor's Report

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INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 “***Auditor's Responsibilities for the Audit of the Financial Statements***” section of our auditor's 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

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.

Auditor's 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 auditor's 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.

- 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.



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- 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 auditor's 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 auditor's 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

February 14, 2024

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Statement of Financial Position

August 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 136,287	\$ 461,796
Short-term investments	80,000	80,000
Accounts receivable (note 2)	646,526	126,662
Prepaid expenses	52,792	59,784
	<u>915,605</u>	<u>728,242</u>
Restricted cash	1,017,834	828,363
Tangible capital assets (note 3)	33,358	7,767
	<u>\$ 1,966,797</u>	<u>\$ 1,564,372</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 118,508	\$ 31,410
Deferred revenue	1,017,834	828,363
	<u>1,136,342</u>	<u>859,773</u>
Net assets:		
Unrestricted	830,455	704,599
Commitments (note 7)		
	<u>\$ 1,966,797</u>	<u>\$ 1,564,372</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, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Donations from registered charities	\$ 1,689,686	\$ 878,155
Tax-receipted donations	553,333	769,500
Donations from outside Canada	347,606	352,632
Government grants (note 5)	641,906	527,814
Non-tax receipted donations	17,155	2,887
Investment income and interest	18,773	85
Other income	3,000	3,000
	<u>3,271,459</u>	<u>2,534,073</u>
Expenses:		
Program expenditures (note 8):		
Teacher training and support	1,295,583	935,426
Teacher recruitment and selection	586,477	500,737
Community engagement	446,628	312,241
	<u>2,328,688</u>	<u>1,748,404</u>
Support expenditures (note 9):		
Organizational governance and advisory	19,038	6,902
Fundraising and administration	797,877	758,579
	<u>816,915</u>	<u>765,481</u>
Total expenses	<u>3,145,603</u>	<u>2,513,885</u>
Excess of revenue over expenses	125,856	20,188
Net assets, beginning of year	704,599	684,411
Net assets, end of year	<u>\$ 830,455</u>	<u>\$ 704,599</u>

See accompanying notes to financial statements.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Statement of Cash Flows

Year ended August 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used for):		
Operations:		
Excess of revenue over expenses	\$ 125,856	\$ 20,188
Amortization of tangible capital assets	43,294	5,210
	169,150	25,398
Change in non-cash operating working capital:		
Increase in accounts receivable	(519,864)	(24,042)
Decrease (increase) in prepaid expenses	6,992	(7,854)
Increase in accounts payable and accrued liabilities	87,098	21,068
Increase in deferred revenue	189,471	103,805
	(67,153)	118,375
Investing activities:		
Additions to tangible capital assets	(68,885)	(4,684)
Increase (decrease) in cash	(136,038)	113,691
Cash, beginning of year	1,290,159	1,176,468
Cash, end of year	\$ 1,154,121	\$ 1,290,159
Represented by:		
Cash	\$ 136,287	\$ 461,796
Restricted cash	1,017,834	828,363
	\$ 1,154,121	\$ 1,290,159

See accompanying notes to financial statements.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements

Year ended August 31, 2023

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 and intangible 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, 2023

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. Other expenses such as office rent are allocated across departments based on headcount per department. 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 mainly includes \$338,299 from the Peter Cundhill Foundation, \$5,000 from the Nathan and Lily Silver Family Foundations, \$31,838 from the GST/HST federal and provincial rebate granted to public service bodies, and \$241,455 from the Federal and Provincial government. As all amounts are considered collectible, no allowance has been provided.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2023

3. Tangible capital assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 92,301	\$ 59,688	\$ 32,613	\$ 5,005
Furniture and fixtures	37,558	36,813	745	2,762
	\$ 129,859	\$ 96,501	\$ 33,358	\$ 7,767

Cost and accumulated amortization at August 31, 2022 amounted to \$60,974 and \$53,207, respectively.

4. 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.

5. Government grants:

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

	2023	2022
Canada Recovery Hiring Program (Emergency Wage Subsidy)	\$ –	\$ 7,789

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2023

6. 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.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2023

6. Financial instruments (continued):

(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.

7. Commitments:

The Organization has signed a lease for office space that expires September 2025. The minimum lease payments for office space for the is as follows:

2024	\$	62,693
2025		64,546
2026		5,391
	\$	132,630

The Organization is required to pay a proportionate share of operating expenses that approximate \$30,000 per annum.

TEACH FOR CANADA/ENSEIGNER POUR LE CANADA

Notes to Financial Statements (continued)

Year ended August 31, 2023

8. Program expenditures:

Year ended August 31	2023	2022
Teacher training and support projects:		
Advertising and promotion	\$ 15,199	\$ 13,315
Travel and accommodation	173,112	10,060
Payroll and consulting fees	997,324	806,783
Training and general expenses	109,948	105,268
	<u>\$ 1,295,583</u>	<u>\$ 935,426</u>
Teacher recruitment and selection projects:		
Advertising and promotion	\$ 54,523	\$ 67,899
Travel and accommodation	7,688	27
Payroll and consulting fees	481,407	404,241
Training and general expenses	42,859	28,570
	<u>\$ 586,477</u>	<u>\$ 500,737</u>
Community engagement projects:		
Advertising and promotion	\$ 12,575	\$ 6,353
Travel and accommodation	49,585	9,152
Payroll and consulting fees	358,927	280,614
Supplies and operating expenses	25,541	16,122
	<u>\$ 446,628</u>	<u>\$ 312,241</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, 2023

9. Support expenditures:

Year ended August 31	2023	2022
Organizational governance and advisory:		
Advertising and promotion	\$ –	\$ 349
Travel and accommodation	6,252	3,358
Payroll and consulting fees	4,737	96
Supplies and operating expenses	8,049	3,099
	<u>\$ 19,038</u>	<u>\$ 6,902</u>
Fundraising and administration:		
Advertising and promotion	\$ 12,824	\$ 15,144
Travel and accommodation	13,454	2,275
Payroll and consulting fees	652,084	659,645
Occupancy cost	36,058	30,740
Supplies and operating expenses	83,457	50,775
	<u>\$ 797,877</u>	<u>\$ 758,579</u>