

**L'ASSOCIATION CANADIENNE DES
PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF
SECOND LANGUAGE TEACHERS INC.**

MARCH 31, 2022

**L'ASSOCIATION CANADIENNE DES
PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF
SECOND LANGUAGE TEACHERS INC.**

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INDEPENDENT AUDITOR'S REPORT

To the Members of
L'Association canadienne des professeurs de langues secondes Inc./
The Canadian Association of Second Language Teachers Inc.

Opinion

We have audited the financial statements of L'Association canadienne des professeurs de langues secondes Inc./The Canadian Association of Second Language Teachers Inc. (the Association), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2022, and the results of its operations 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 report. We are independent of the Association 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.

Other Information

Management is responsible for the other information. The other information comprises the supplementary financial information on page 13, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Marcil Lavallée

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Chartered Professional Accountants

Cabinet indépendant affilié à
Independent firm affiliated to



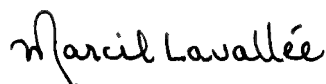
Auditor's Responsibilities for the Audit of the Financial Statements

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 these 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 Association'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 Association'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 Association 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.

We 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.



Chartered Professional Accountants, Licensed Public Accountant

Ottawa, Ontario
June 3, 2022

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022**

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| | 2022 | 2021 |
|---|-----------------|----------------|
| REVENUES | | |
| Grants and contributions (Note 3) | \$ 621,933 | \$ 614,247 |
| Memberships | 27,735 | 38,870 |
| Publication sales | 21,557 | 24,553 |
| Other (Note 4) | 26,325 | 22,260 |
| | 697,550 | 699,930 |
| EXPENSES | | |
| Salaries and benefits | 324,856 | 280,283 |
| Consultants | 155,163 | 232,009 |
| Printing and publicity | 112,545 | 106,958 |
| Rent | 31,210 | 17,400 |
| Travel and accommodation | 30,880 | 7,960 |
| Office expenses | 12,847 | 16,688 |
| Association dues | 4,978 | 1,550 |
| Telecommunications | 4,540 | 4,445 |
| Insurance | 2,281 | 1,822 |
| Professional fees | 3,173 | 22,377 |
| Bank and service charges | 5,845 | 6,194 |
| Amortization of capital assets | 1,110 | 1,537 |
| | 689,428 | 699,223 |
| EXCESS OF REVENUES OVER EXPENSES | \$ 8,122 | \$ 707 |

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022**

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| | Unrestricted | Invested in Capital Assets | Special Initiative Fund | Risk Management Fund | 2022 Total | 2021 Total |
|-----------------------------------|--------------|----------------------------------|-------------------------------|----------------------------|---------------|---------------|
| BALANCE, BEGINNING OF YEAR | \$ 2,662 | \$ 4,155 | \$ 25,090 | \$ 128,700 | \$ 160,607 | \$ 159,900 |
| Excess of revenues over expenses | 9,232 | (1,110) | - | - | 8,122 | 707 |
| BALANCE, END OF YEAR | \$ 11,894 | \$ 3,045 | \$ 25,090 | \$ 128,700 | \$ 168,729 | \$ 160,607 |

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

**STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022**

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| | 2022 | 2021 |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 152,160 | \$ 153,149 |
| Term deposits, 0.22% to 0.50%, maturing in April and June 2022 | 225,000 | 200,139 |
| Accounts receivable (Note 5) | 17,770 | 26,835 |
| Prepaid expenses and deposits | 22,055 | 16,403 |
| | 416,985 | 396,526 |
| CAPITAL ASSETS (Note 6) | 3,045 | 4,155 |
| | \$ 420,030 | \$ 400,681 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 117,876 | \$ 83,676 |
| Deferred revenue | 7,830 | 14,000 |
| Deferred grants and contributions (Note 8) | 125,595 | 142,398 |
| | 251,301 | 240,074 |
| NET ASSETS | | |
| Unrestricted | 11,894 | 2,662 |
| Internal Restrictions (Note 9) | | |
| Invested in Capital Assets | 3,045 | 4,155 |
| Special Initiative Fund | 25,090 | 25,090 |
| Risk Management Fund | 128,700 | 128,700 |
| | 168,729 | 160,607 |
| | \$ 420,030 | \$ 400,681 |

ON BEHALF OF THE BOARD

Carole M. Bonin
_____, Director

Katherine Maxwell
_____, Director

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022**

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| | 2022 | 2021 |
|--|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenses | \$ 8,122 | \$ 707 |
| Adjustment for: | | |
| Amortization of capital assets | 1,110 | 1,537 |
| | 9,232 | 2,244 |
| Net change in non-cash items related to operating activities: | | |
| Accounts receivable | 9,065 | (13,941) |
| Prepaid expenses and deposits | (5,651) | (12,513) |
| Accounts payable and accrued liabilities | 34,200 | (24,442) |
| Deferred revenue | (6,171) | 14,000 |
| Deferred grants and contributions | (16,803) | 126,054 |
| | 14,640 | 89,158 |
| | 23,872 | 91,402 |
| INVESTING ACTIVITY | | |
| Net change in term deposits | (24,861) | (200,139) |
| DECREASE IN CASH AND CASH EQUIVALENTS | (989) | (108,737) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 153,149 | 261,886 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 152,160 | \$ 153,149 |

Cash and cash equivalents consist of cash.

L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./ THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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1. STATUTE AND NATURE OF OPERATIONS

The Association, incorporated without share capital under the Canada Not-for-profit Corporations Act, was established to promote the advancement of second language teaching throughout Canada by creating opportunities for professional development, by encouraging research and by facilitating the sharing of information and the exchange of ideas among second language educators. The Association is a not-for-profit organization under the Income Tax Act and, as such, is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The Association applies Canadian accounting standards for not-for-profit organization in Part III of the CPA Canada Handbook - Accounting.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

Contribution receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Revenue recognition

The Association follows the deferral method of accounting for grants and contributions. Under this method, grants and contributions restricted for future period expenses are deferred and recognized as revenue in the year in which the related expenses are incurred and when the amount can be reasonably estimated, and the collection is reasonably assured.

Revenue from the Languages Without Borders Conference (including registration fees, sponsorships and booth rentals) is recognized when the activity takes place.

Publication sales, advertising and interest are recognized as revenue in the period to which they relate.

Membership revenues are recognized in the period when they are invoiced or received.

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Association's policy is to disclose bank balances including bank indebtedness with balances that fluctuate frequently from being positive to overdrawn, under cash and cash equivalents. Cash equivalents are held for purposes of meeting short-term cash commitments rather than for investing or other purposes. An investment qualifies as a cash equivalent when it has a maturity of three months or less from the date of acquisition.

Capital assets

Capital assets are recorded at cost. Amortization is calculated on their respective estimated useful life using the diminishing balance method at the following annual rates:

| | |
|--------------------------------|-----|
| Office furniture and equipment | 20% |
| Computer equipment | 30% |

Write-down of capital assets

When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its fair value or replacement cost. The write-down is recognized as an expense in the statement of operations.

Contributed services

The Association would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the inherent difficulty in compiling these hours and determining their fair value, contributed services are not recognized in the Association's financial statements.

Financial instruments

Initial measurement

The Association initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Association is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Association subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. A previous recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

3. GRANTS AND CONTRIBUTIONS

| | 2022 | 2021 |
|--------------------------|-------------------|-------------------|
| <i>Canadian Heritage</i> | | |
| Programming | \$ 358,350 | \$ 400,000 |
| FSL Teacher Education | 81,137 | 113,473 |
| Blended Model | 66,769 | - |
| Mentorship | 49,706 | 65,365 |
| Proud to Be L2 | 45,877 | 8,718 |
| My Virtual Classroom | 20,094 | 22,296 |
| Translation Fund | - | 4,395 |
| | \$ 621,933 | \$ 614,247 |

4. OTHER REVENUES

| | 2022 | 2021 |
|--------------|------------------|------------------|
| Advertising | \$ 17,493 | \$ 9,500 |
| Sponsorships | 1,000 | 4,500 |
| Interest | 216 | 468 |
| Other | 7,616 | 7,792 |
| | \$ 26,325 | \$ 22,260 |

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

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5. ACCOUNTS RECEIVABLE

| | 2022 | | 2021 | |
|----------------|-------------|--------|------|--------|
| Trade accounts | \$ | 3,613 | \$ | 16,581 |
| Sales tax | | 14,157 | | 10,254 |
| | \$ | 17,770 | \$ | 26,835 |

6. CAPITAL ASSETS

| | Cost | | Accumulated amortization | | 2022 | | 2021 | |
|--------------------------------|-------------|--------|-------------------------------------|--------|-------------|-------|------|-------|
| Office furniture and equipment | \$ | 7,199 | \$ | 6,103 | \$ | 1,096 | \$ | 1,370 |
| Computer equipment | | 12,302 | | 10,353 | | 1,949 | | 2,785 |
| | \$ | 19,501 | \$ | 16,456 | \$ | 3,045 | \$ | 4,155 |

7. BANK LOAN

The Association has an authorized line of credit of \$30,000, renewable annually, at prime lending rate plus 4.20%. This line of credit is secured by a general security agreement. As at March 31, 2022 and 2021, the line of credit is unused.

8. DEFERRED GRANTS AND CONTRIBUTIONS

Variations in deferred grants and contributions are as follows:

| | 2022 | | 2021 | |
|--|-------------|-----------|------|-----------|
| Balance, beginning of year | \$ | 142,398 | \$ | 16,344 |
| Plus: Amount granted during the year | | 605,130 | | 740,301 |
| Less: Amount recognized as revenue in the year | | (621,933) | | (614,247) |
| Balance, end of year | \$ | 125,595 | \$ | 142,398 |

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

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8. DEFERRED GRANTS AND CONTRIBUTIONS (continued)

Deferred grants and contributions are comprised of the following items:

| | 2022 | 2021 |
|--------------------------|-------------------|-------------------|
| <i>Canadian Heritage</i> | | |
| Programming | \$ 63,000 | \$ - |
| FSL Teacher Education | 44,364 | 26,891 |
| Blended Model | 18,231 | - |
| Mentorship | - | 49,536 |
| Proud to Be L2 | - | 45,877 |
| My Virtual Classroom | - | 20,094 |
| | \$ 125,595 | \$ 142,398 |

9. INTERNAL RESTRICTIONS

Special Initiative Fund

The Special Initiative Fund is created to address emergent of unforeseen initiatives that support the strategic plan and mandate of the Association.

Risk Management Fund

The Risk Management Fund is created to manage the overall risk of the Association in order to cover operational costs for a minimum of a three-month transitional period should it require to fulfill legal or contractual obligations in the future.

10. CONTRACTUAL OBLIGATIONS

The commitment entered into by the Association under a lease agreement totals \$134,800. The instalments over the next five years are the following:

| | |
|------|-----------|
| 2023 | \$ 33,000 |
| 2024 | \$ 33,000 |
| 2025 | \$ 33,000 |
| 2026 | \$ 33,000 |
| 2027 | \$ 2,800 |

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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11. CONTINGENCIES

Other indemnification agreements

In the normal course of operations, the Association signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can perform an audit of the financial records of the Association to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

12. ECONOMIC DEPENDENCE

The Association currently generates a significant amount of its revenue from Canadian Heritage. The loss of these contributions could have a material adverse effect on the Association's results of operations, financial condition and cash flows.

13. CORONAVIRUS PANDEMIC

The coronavirus pandemic (COVID-19) has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The financial impact on the Association is dependent on the future course of events, including the duration of interruptions and trade restrictions imposed by the government, the rollout of the vaccination program among the general public and the effectiveness of measures taken in Canada and other countries to combat the virus. These events are highly uncertain and, as such, the Association cannot determine the ultimate financial impacts at this time.

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC./
THE CANADIAN ASSOCIATION OF SECOND LANGUAGE TEACHERS INC.**

**SUPPLEMENTARY FINANCIAL INFORMATION – SCHEDULE OF PROJECT SUMMARY
FOR THE YEAR ENDED MARCH 31, 2022
(unaudited)**

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The revenues and expenses incurred for each of the projects are as follows:

| | Programing | FSL Teacher Education | My Virtual Classroom | Mentorship | Proud to Be L2 | Blended Model | 2022 Total | 2021 Total | |
|---|-----------------|-----------------------|----------------------|-------------|----------------|---------------|-----------------|---------------|--|
| REVENUES | | | | | | | | | |
| Grants and contributions | \$ 358,350 | \$ 81,137 | \$ 20,094 | \$ 49,706 | \$ 45,877 | \$ 66,769 | \$ 621,933 | \$ 614,247 | |
| Other | 75,617 | - | - | - | - | - | 75,617 | 85,683 | |
| | 433,967 | 81,137 | 20,094 | 49,706 | 45,877 | 66,769 | 697,550 | 699,930 | |
| EXPENSES | | | | | | | | | |
| Salaries and benefits | 226,094 | 20,369 | 6,731 | 28,957 | 8,455 | 34,250 | 324,856 | 280,283 | |
| Honoraria | 53,169 | 46,200 | 7,249 | 10,900 | 8,770 | 28,875 | 155,163 | 232,958 | |
| Travel | 27,081 | - | - | - | 3,799 | - | 30,880 | 7,960 | |
| Publicity and printing | 70,043 | 10,458 | 5,614 | 5,360 | 20,311 | 759 | 112,545 | 106,958 | |
| Operational costs | 48,348 | 4,110 | 500 | 4,489 | 4,542 | 2,885 | 64,874 | 66,977 | |
| Other | 1,110 | - | - | - | - | - | 1,110 | 4,087 | |
| | 425,845 | 81,137 | 20,094 | 49,706 | 45,877 | 66,769 | 689,428 | 699,223 | |
| EXCESS OF REVENUES OVER EXPENSES | \$ 8,122 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,122 | \$ 707 | |