

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

FINANCIAL STATEMENTS

MARCH 31, 2026

**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, 2026, 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, 2026, 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.

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.

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.

Marcil Lavallée

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 **MOORE**
Un membre indépendant de
Moore North America, Inc.
An independent member
of Moore North America, Inc.

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 Accountants

Ottawa, Ontario
August 7, 2026

**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, 2026

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	2026	2025
REVENUES		
Grants and contributions (Note 3)	\$ 858,271	\$ 650,372
Registration fees	191,634	32,141
Publication sales	57,622	140,649
Memberships	55,188	70,865
National conference	47,659	-
Other (Note 4)	86,332	101,575
	1,296,706	995,602
EXPENSES		
Salaries and benefits	492,988	416,782
Travel and accommodation	379,763	139,689
Contractuals and consultants	214,807	137,112
Printing and publicity	166,799	153,896
Office expenses	64,216	17,285
Rent	23,170	16,427
Association dues	5,816	3,174
Telecommunications	5,606	5,535
Insurance	4,723	2,974
Professional fees	14,710	19,494
Bank and service charges	8,458	8,137
Amortization of capital assets	3,528	3,431
	1,384,584	923,936
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (87,878)	\$ 71,666

**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, 2026

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	Internal Restrictions				2026 Total	2025 Total
	Unrestricted	Invested in Capital Assets	Special Initiative Fund	Risk Management Fund		
BALANCE, BEGINNING OF YEAR	\$ -	\$ 11,025	\$ 76,259	\$ 187,909	\$ 275,193	\$ 203,527
Excess (deficiency) of revenues over expenses	(84,350)	(3,528)	-	-	(87,878)	71,666
Invested in capital assets	(4,693)	4,693	-	-	-	-
Interfund transfer (Note 11)	89,043	-	-	(89,043)	-	-
BALANCE, END OF YEAR	\$ -	\$ 12,190	\$ 76,259	\$ 98,866	\$ 187,315	\$ 275,193

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

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

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	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	\$ 59,210	\$ 188,520
Accounts receivable (Note 5)	60,670	115,113
Contributions receivable	6,270	-
Guaranteed investment certificates, 2.40% to 3.45%, maturing in May 2026 (Note 6)	160,686	129,809
Prepaid expenses and deposits	60,973	237,390
	347,809	670,832
INVESTMENTS (Note 6)	50,616	-
CAPITAL ASSETS (Note 7)	12,190	11,025
	62,806	11,025
	\$ 410,615	\$ 681,857
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	\$ 201,505	\$ 131,337
Deferred revenue	8,600	263,748
Deferred grants and contributions (Note 10)	13,195	11,579
	223,300	406,664
NET ASSETS		
Unrestricted	-	-
Internal Restrictions (Note 11)		
Invested in Capital Assets	12,190	11,025
Special Initiative Fund	76,259	76,259
Risk Management Fund	98,866	187,909
	187,315	275,193
	\$ 410,615	\$ 681,857

ON BEHALF OF THE BOARD

 , Director

 , 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, 2026

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	2026	2025
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (87,878)	\$ 71,666
Adjustment for:		
Amortization of capital assets	3,528	3,431
	(84,350)	75,097
Net change in non-cash items related to operating activities:		
Accounts receivable	54,443	(38,268)
Contributions receivable	(6,270)	6,775
Prepaid expenses and deposits	176,417	(211,823)
Accounts payable and accrued liabilities	70,168	(20,573)
Deferred revenue	(255,148)	251,748
Deferred grants and contributions	1,616	11,579
	41,226	(562)
	(43,124)	74,535
INVESTING ACTIVITIES		
Net change in investments	(81,493)	(7,030)
Acquisition of capital assets	(4,693)	(3,841)
	(86,186)	(10,871)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(129,310)	63,664
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	188,520	124,856
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 59,210	\$ 188,520

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

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026

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1. STATUTE AND NATURE OF OPERATIONS

The Association is a not-for-profit organization, 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 the Canadian accounting standards for not-for-profit organizations.

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 amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates.

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 and other revenues are recognized as revenue in the period to which they relate.

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

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the following methods, rates and period:

	Methods	Rates and period
Office furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	5 years

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 residual value, if any. The excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

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, accounts receivable, contributions receivable and guaranteed investment certificate.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there are, 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. If the indicators of impairment have decreased or no longer exist, the previously 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.

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

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Association's policy is to present bank balances, including bank indebtedness with balances that can fluctuate from being positive to overdrawn, under cash and cash equivalents.

3. GRANTS AND CONTRIBUTIONS

	2026	2025
Canadian Heritage		
Programming	\$ 531,688	\$ 526,688
Success for All	129,200	66,975
FSL - Pathway to Success	108,578	56,709
FSL - Exploring the Cultures	88,805	-
	\$ 858,271	\$ 650,372

4. OTHER REVENUES

	2026	2025
Exhibitors	\$ 39,972	\$ 750
Advertising and sponsorships	36,266	19,180
Interest	8,869	7,030
Contract	1,225	2,665
Insurance proceeds	-	71,950
	\$ 86,332	\$ 101,575

5. ACCOUNTS RECEIVABLE

	2026	2025
Trade accounts	\$ 31,226	\$ 115,113
Sales tax receivable	29,444	-
	\$ 60,670	\$ 115,113

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC. /
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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026

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6. INVESTMENTS

	2026	2025
Guaranteed investment certificates	\$ 211,302	\$ 129,809
Current portion of guaranteed investment certificates	160,686	129,809
	\$ 50,616	\$ -

7. CAPITAL ASSETS

	2026			2025
	Cost	Accumulated amortization	Net book value	Net book value
Office furniture and equipment	\$ 12,613	\$ 8,432	\$ 4,181	\$ 3,689
Computer equipment	15,678	8,357	7,321	6,419
Leasehold improvements	1,146	458	688	917
	\$ 29,437	\$ 17,247	\$ 12,190	\$ 11,025

8. BANK LOAN

The Association has an authorized line of credit of \$20,000, renewable annually, at prime lending rate plus 4.2%. This line of credit is secured by a general security agreement. As at March 31, 2026, the line of credit is unused.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Trade accounts and accrued liabilities	\$ 190,291	\$ 113,499
Government remittances	11,214	10,495
Sales tax	-	7,343
	\$ 201,505	\$ 131,337

**L'ASSOCIATION CANADIENNE DES PROFESSEURS DE LANGUES SECONDES INC. /
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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026

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10. DEFERRED GRANTS AND CONTRIBUTIONS

Variations in deferred grants and contributions are as follows:

	2026	2025
Balance, beginning of year	\$ 11,579	\$ -
Plus: Amount granted during the year	859,887	661,951
Less: Amount recognized as revenue in the year	(858,271)	(650,372)
Balance, end of year	\$ 13,195	\$ 11,579

Deferred grants and contributions are comprised of the following items:

	2026	2025
Canadian Heritage		
FSL - Exploring the Cultures	\$ 13,195	\$ -
FSL - Pathway to Success	-	11,579
	\$ 13,195	\$ 11,579

11. INTERNAL RESTRICTIONS

Special Initiative Fund

The Special Initiative Fund is created to address emergent or unforeseen initiatives that support the strategic plan and mandate of the Association. During the year, no transfers were made to the Special Initiative Fund (2025 : \$25,000).

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.

During the year, the Board of Directors authorized a transfer of \$89,043 from the Risk Management Fund (2025 : \$46,256 to the Risk Management Fund).

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

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026

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12. CONTRACTUAL OBLIGATIONS

The commitment of the Association under a lease agreement aggregates to \$75,400. The instalments over the next four years are the following:

2027	\$	23,600
2028	\$	24,100
2029	\$	24,600
2030	\$	3,100

13. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Association by failing to discharge an obligation. The Association's credit risk is mainly related to accounts receivable.

The Association provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. Approximately 86% of the total trade accounts are to be received from four entities. The Association considers that no risk arises from that situation.

14. 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.

15. 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.

16. COMPARATIVE FIGURES

Certain figures for 2025 have been reclassified to conform to the presentation adopted in 2026.

**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, 2026**

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

	Programming	Pathway to Success	Exploring the Cultures FSL	Success for All	LWB Conference	2026 Total	2025 Total
REVENUES							
Grants and contributions	\$ 531,688	\$ 108,578	\$ 88,805	\$ 129,200	\$ -	\$ 858,271	\$ 650,372
Other	159,084	-	-	-	279,351	438,435	345,679
	690,772	108,578	88,805	129,200	279,351	1,296,706	996,051
EXPENSES							
Salaries and benefits	327,132	40,250	59,798	65,808	-	492,988	416,782
Honoraria	99,909	49,317	22,100	15,940	27,541	214,807	128,281
Travel	180,019	3,298	887	4,983	190,576	379,763	142,913
Publicity and printing	92,072	14,162	770	35,689	24,106	166,799	147,632
Operational costs	75,941	1,600	5,250	6,780	37,128	126,699	83,305
Other	3,528	-	-	-	-	3,528	1,591
	778,601	108,627	88,805	129,200	279,351	1,384,584	920,504
EXCESS (DEFICIENCY) OF							
REVENUES OVER EXPENSES	\$ (87,829)	\$ (49)	\$ -	\$ -	\$ -	\$ (87,878)	\$ 75,547