

Association of Alberta Teachers of English as a
Second Language

Financial Statements

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of the Association of Alberta Teachers of English as a Second Language:

Opinion

I have audited the financial statements of the Association of Alberta Teachers of English as a Second Language (the "Association"), which comprise the statement of financial position as at December 31, 2025, 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 (the "financial statements").

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2025, 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 (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenues from certain activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, I was not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both 2025 and 2024. My audit opinion on the financial statements for the year ended December 31, 2025 was modified accordingly because of the possible effects of this limitation of scope.

The Association recognizes membership fees on a cash basis. Canadian accounting standards for not-for-profit organizations require the use of the accrual method.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The financial statements of the Association of Alberta Teachers of English as a Second Language for the year ended December 31, 2024 were audited by MNP LLP. MNP LLP expressed a qualified opinion on those statements on March 8, 2025 for the reasons described in the Basis for Qualified Opinion paragraph.

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 ASNPO and for such internal control as management determines is necessary to enable the preparation of the 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Edmonton, Alberta

April 23, 2026

KENNEDY

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

Association of Alberta Teachers of English as a Second Language

Statement of Financial Position

As at December 31, 2025

	Note	2025	2024
Assets			
Current assets			
Cash	2	\$ 87,730	\$ 82,873
Guaranteed investment certificates		45,468	43,829
Prepaid expenses		766	3,269
Interest receivable		1,404	1,196
Total assets		135,368	131,167
Liabilities and net assets			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		7,810	7,792
Employee deductions payable		0	57
Goods and services tax payable		2,183	2,000
Deferred contributions	3	22,744	500
Total liabilities		32,737	10,349
Net assets		102,631	120,818
Total liabilities and net assets		\$ 135,368	\$ 131,167

ON BEHALF OF THE BOARD,

✗ Johnson Kunnel *Director*
 Johnson Kunnel (Apr 30, 2026 11:44:18 MDT)

Don *Director*

Association of Alberta Teachers of English as a Second Language

Statement of Operations For the year ended December 31, 2025

	Note	2025	2024
Revenue			
Provincial conference registration	4	\$ 53,622	\$ 50,347
Membership fees		26,160	29,494
Grants	6	22,608	8,600
Provincial conference sponsorship and exhibitor		10,193	13,167
Symposium revenues		5,217	0
Investment income		1,847	1,456
		119,647	103,064
Expenses			
Wages and benefits		45,332	37,627
Grant related expenses	6	22,608	0
Provincial conference		20,282	25,371
Administration		11,471	9,840
Professional fees		8,500	8,500
Affiliate memberships and journal fees		8,000	8,000
Website		5,973	5,941
Bursaries		4,500	3,405
Banking and online service charges		3,545	1,695
Symposium expenses		2,283	0
Insurance		2,130	2,155
Local expenses		1,928	131
Board expenses		1,282	1,939
Multiculturalism and Anti-Racism project		0	8,326
		137,834	112,930
Excess (deficiency) of revenue over expenses		\$ (18,187)	\$ (9,866)

Association of Alberta Teachers of English as a Second Language

Statement of Changes in Net Assets
For the year ended December 31, 2025

	Note	2025	2024
Balance, beginning of year		\$ 120,818	\$ 130,684
Excess (deficiency) of revenues over expenses		(18,187)	(9,866)
Balance, end of year		\$ 102,631	\$ 120,818

Association of Alberta Teachers of English as a Second Language

Statement of Cash Flows For the year ended December 31, 2025

	2025	2024
Operating Activities		
Excess (deficiency) of revenues over expenses	\$ (18,187)	\$ (9,866)
Changes in working capital:		
Interest receivable	(208)	(818)
Prepaid expenses	2,503	(1,992)
Accounts payable and accrued liabilities	17	(1,109)
Wages payable		(2,682)
Employee deductions payable	(57)	(726)
Goods and services tax payable	183	379
Deferred Contributions	22,244	(8,600)
	24,682	(15,548)
Cash flows from operating activities	6,495	(25,414)
Investing Activities		
Redemption of guaranteed investment certificates		42,653
Purchase of guaranteed investment certificates		(65,470)
Interest added to GIC balance	(1,638)	
Cash flows from (used by) investing activities	(1,638)	(22,817)
Increase (Decrease) in cash	4,857	(48,231)
Cash, beginning of year	82,873	131,104
Cash, end of year	\$ 87,730	\$ 82,873

Association of Alberta Teachers of English as a Second Language
Notes to the Financial statements
For the year ended December 31, 2025

1. PURPOSE OF THE ASSOCIATION

The Association of Alberta Teachers of English as a Second Language (the "Association") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. It is a not-for-profit volunteer organization dedicated to the development and training of members who teach English as a second language.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. Related party transactions in the normal course of operations are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Membership fees are recognized when received. Other revenues are recognized when earned.

Association of Alberta Teachers of English as a Second Language
Notes to the Financial statements
For the year ended December 31, 2025

Capital assets

In accordance with Canadian accounting standards for not-for-profit organizations of this size, equipment purchases are expensed in the year of acquisition.

Donated services

The work of the Association is dependent on the voluntary services of many members. The value of donated services is not recognized in these statements.

Income taxes

The Association is exempt from income taxes under paragraph 149(1)(I) of the Income Tax Act.

Measurement uncertainty

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 amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Association of Alberta Teachers of English as a Second Language

Notes to the Financial statements For the year ended December 31, 2025

3. DEFERRED CONTRIBUTIONS

Deferred contributions are sponsorships and fellowships from various agencies and government grants that relate to expenses to be incurred in subsequent years. Changes in deferred contributions are as follows:

Description	Balance, beginning of year	Funds received/ receivable	Recognized as revenue	Balance, end of year
Ethnocultural grant	\$	\$ 44,852	\$ 22,608	\$ 22,244
Fellowships	500			500
Total	\$ 500	\$ 44,852	\$ 22,608	\$ 22,744

4. PROVINCIAL CONFERENCE

Description	2025	2024
Provincial conference revenue	\$ 56,922	\$ 55,867
Board and guest conference registrations	(3,300)	(5,520)
	\$ 53,622	\$ 50,347

5. RELATED PARTY TRANSACTIONS

The Association paid \$1,000 (2024 - \$1,000) to directors as bursaries. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Association of Alberta Teachers of English as a Second Language

Notes to the Financial statements For the year ended December 31, 2025

6. GRANT RELATED EXPENDITURES

In the current year, the Association received a *"Developing Intercultural Competence through Narrative Métissage"* Grant designed to equip English as an Additional Language (EAL) instructors with pedagogical skills and confidence through hands-on use of Narrative Métissage. The expenses incurred in connection with this Grant were as follows:

Description	2025
Wages and benefits	\$ 22,608

7. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2025.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from grants, conferences and membership fees.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Association is exposed to interest rate risk primarily through its fixed rate guaranteed investment certificates.

April 23, 2026

Association of Alberta Teachers of English as an Additional Language
PO Box 1983 Station Main
Edmonton, Alberta
T5J2P3

Confidential

KENNEDY Chartered Professional Accountant
#100, 8615 149 St
Edmonton Alberta Canada
T5R 1B3

Attention: Mark Kennedy, CPA

Dear sir:

Re: Management representations letter

This representation letter is provided in connection with your audit of the financial statements of the Association of Alberta Teachers of English as an Additional Language for the period ended December 31, 2025, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated January 23, 2026 for:

- Preparing and fairly presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- Providing you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - Accounting records, supporting data and other relevant documentation.
 - Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared.
 - Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements.
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

Fraud and non-compliance

We have disclosed to you:

- All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - Management.
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others.
- All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements.
- All known, actual or possible litigation and claims that should be considered when preparing the financial statements; and
- The results of our risk assessments regarding possible fraud or error in the financial statements.

Related parties

We have disclosed to you the identity of all of the Association's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

Subsequent events

All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations requires adjustment or disclosure have been adjusted or disclosed.

Commitments and contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole.

Accounting Policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Contractual compliance

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

Direct liabilities

We have recorded in the accounts all known liabilities of our Association as at December 31, 2025 except for trivial amounts.

Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

Future plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

Impairment of long-lived assets

We have evaluated long-lived assets for recoverability whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Management acknowledges that when the long-lived asset is not recoverable, an impairment loss is recognized in earnings at the amount by which the carrying amount exceeds its fair value

None of the members were in debt to the Association

None of the members were in debt to the Association, other than in the ordinary course of business at the period- end or at any time during the period