

TESL Association of Ontario

Financial Statements

For the year ended March 31, 2026

Contents	Page
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 9

To the Directors of
TESL Association of Ontario

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of TESL Association of Ontario (the Association), which comprise the statement of financial position as at March 31, 2026, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TESL Association of Ontario 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 *Auditors' 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 these 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.

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 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 Auditing Standards (CASs), 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.



CHARTERED
PROFESSIONAL
ACCOUNTANTS

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.

September 26, 2026
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

TESL Association of Ontario
Statement of Financial Position
March 31, 2026

Assets		2026	2025
Current assets			
Cash and cash equivalents	\$	330,849	\$ 336,191
Short-term investments		799,277	805,524
Amounts receivable		791	750
Prepays and deposits		11,300	15,475
		1,142,217	1,157,940
Capital assets (Note 3)		14,955	16,495
Intangible assets (Note 4)		44,396	35,505
	\$	1,201,568	\$ 1,209,940
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (Note 5)	\$	62,855	\$ 65,978
Deferred contributions (Note 6)		322,343	330,000
	\$	385,198	\$ 395,978
Net Assets			
Unrestricted	\$	416,370	\$ 413,962
Internally restricted (Note 11)		400,000	400,000
		816,370	813,962
	\$	1,201,568	\$ 1,209,940

Approved on Behalf of the Board

Directors

Directors

The accompanying notes are an integral part of the financial statements.



TESL Association of Ontario

Statement of Changes in Net Assets

Year Ended March 31, 2026

	Internally Restricted Reserves (Note 11)	Unrestricted	2026 Total	2025 Total
Balance, beginning of year	400,000	413,962	813,962	776,340
Net excess of revenues over expenditures for the year	-	2,408	2,408	37,622
Balance, end of year	400,000	416,370	816,370	813,962

The accompanying notes are an integral part of the financial statements.



TESL Association of Ontario**Statement of Operations****Year Ended March 31, 2026**

	2026	2025
Revenues		
Accreditation fees	\$ 373,317	\$ 388,441
Membership fees	351,995	347,756
Annual conference (Note 8)	175,530	176,761
Interest and other income	57,691	61,130
Projects (Note 7)	9,259	9,259
	967,792	983,347
Expenditures		
Office and administration	365,623	363,870
Accreditation	181,920	173,464
Membership	171,292	163,484
Annual conference (Note 9)	134,415	145,631
Chapters' operations	53,509	44,871
Occupancy	33,317	32,070
Board and committee meetings	24,540	21,544
TESOL international affiliation	768	791
	965,384	945,725
Net excess of revenues over expenditures for the year	\$ 2,408	\$ 37,622

The accompanying notes are an integral part of the financial statements.



TESL Association of Ontario

Statement of Cash Flows

Year Ended March 31, 2026

	2026	2025
Cash flows from operating activities		
Net excess of revenues over expenditures for the year	\$ 2,408	\$ 37,622
Charges not involving cash		
Amortization	15,111	8,887
	17,519	46,509
Net change in amounts receivable	(41)	(750)
Net change in accounts payable and accrued liabilities	(3,123)	(1,464)
Net change in deferred contributions	(7,657)	11,999
Net change in other operating working capital balances	4,175	(1,976)
Cash flows from operating activities	10,873	54,318
Cash flows from investing activities		
Purchase of investments	(10,359)	(14,567)
Proceeds on disposal of investments	16,606	23,604
Purchase of capital assets	(1,955)	(1,700)
Purchase of intangible assets	(20,507)	(21,848)
Cash flows used in investing activities	(16,215)	(14,511)
Net increase (decrease) in cash and cash equivalents	(5,342)	39,807
Cash and cash equivalents, beginning of year	336,191	296,384
Cash and cash equivalents, end of year	\$ 330,849	\$ 336,191



TESL Association of Ontario
Notes to Financial Statements
Year Ended March 31, 2026

1. Purpose of organization

TESL Association of Ontario functions as a certification body for English language educators in Ontario, and provides accreditation for TESL training institutions. This non-profit organization, established in 1972, serves the professional development needs of English language educators and addresses the range of competencies, experiences and issues which influence the success of immigrants, refugees, visa students and others who are learning English.

These financial statements include the revenue and expenditures of the following twelve regional chapters: Durham, Hamilton-Wentworth, Kingston, London, Niagara, North York/York Region, Northern Region, Ottawa, Peel-Halton-Etobicoke, Toronto, Waterloo-Wellington and Windsor.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with bank.

Short-term investments

Short-term investments include guaranteed investment certificates with maturity of less than twelve months from the statement of financial position date, and government bonds that can be redeemed at any point in time.

Financial instruments

Initial measurement

The Association initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and financial 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. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

Subsequent measurement

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

Financial assets subsequently measured at amortized cost include cash and cash equivalents, short-term investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.



TESL Association of Ontario
Notes to Financial Statements
Year Ended March 31, 2026

2. Significant accounting policies (cont'd.)

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 income. 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 be no 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 income.

Capital assets and amortization

Capital assets are recorded at cost. Amortization is provided as follows:

Computer equipment	20% declining balance
Furniture and fixtures	20% declining balance

One-half the normal rate of amortization is provided for in the year of acquisition.

Intangible assets

Intangible assets are recorded at acquisition cost and are amortized over their useful life as determined by management. Intangible assets with an indefinite useful life are not amortized.

Website and modules	6 year straight-line
Certification courses	6 year straight-line

Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are amortized on a straight-line basis over the term of the lease to rental expense. At the inception of a capital lease, an asset and an obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions received are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership and accreditation fees are recognized on a straight-line basis over the period. Project revenues are recognized as they are earned over the length of the project. Revenues from conferences are recognized in the year when the event occurs. Interest and other income are recognized as revenue when earned.



TESL Association of Ontario

Notes to Financial Statements

Year Ended March 31, 2026

2. Significant accounting policies (cont'd.)

Contributed services

Volunteers contribute many hours each year to assist the Association in carrying out its activities. Because of the difficulty of determining its fair value, contributed services are not recognized in the financial statements.

Income taxes

The Association is a not-for-profit organization registered under the Income Tax Act (the "Act") and, as such, is exempt from income taxes for income tax purposes.

Deferred contributions

The balance represents annual membership and accreditation fees which are recognized as revenue on a straight-line basis over the period, and designated project funding received which has not yet been used for its specified purposes.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Cloud computing arrangements

At the inception of the cloud computing arrangement with a supplier, the Association allocates the consideration of the arrangement to all of the significant separable elements based on their specific sales price. Development costs and costs on the rights to use a tangible asset are recognized according to the accounting methods applicable to such elements. To account for the expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Association has opted for the simplification measure. Such expenditures shall be treated as the supply of services and recognized as an expenditure when the Association receives such services. These expenditures are shown under the office and administration expense on the statement of operations. The Association recognizes a prepayment as an asset when payment for services has been made in advance of the entity receiving those services. Expenditures related to implementation activities are expenses as incurred.

3. Capital assets

	Cost	Accumulated Amortization	2026	2025
Computer equipment	\$ 55,655	\$ 41,508	\$ 14,147	\$ 15,485
Furniture and fixtures	21,119	20,311	808	1,010
	\$ 76,774	\$ 61,819	\$ 14,955	\$ 16,495



TESL Association of Ontario
Notes to Financial Statements
Year Ended March 31, 2026

4. Intangible assets	Cost	Accumulated Amortization	2026	2025
Website and modules	\$ 34,726	\$ 19,474	\$ 15,252	\$ 16,172
Certification courses	34,973	5,829	29,144	19,333
	\$ 69,699	\$ 25,303	\$ 44,396	\$ 35,505

5. Accounts payable and accrued liabilities	2026	2025
Accounts payable and accrued liabilities	\$ 33,262	\$ 35,195
H.S.T. payable	14,703	17,145
Payroll deductions payable	14,890	13,638
	\$ 62,855	\$ 65,978

6. Deferred contributions	2026	2025
Other deferred contributions	\$ 2,343	\$ -
Membership and accreditation fees	320,000	330,000
	\$ 322,343	\$ 330,000

7. Project revenue	2026	2025
Ministry of Labour, Immigration, Training and Skills Development (MLITSD)		
Pay Equity Program	\$ 9,259	\$ 9,259

8. Annual conference revenue	2026	2025
Publisher fees	\$ 2,800	\$ 3,050
Registration fees	166,480	170,211
Sponsorship	6,250	3,500
	\$ 175,530	\$ 176,761



TESL Association of Ontario
Notes to Financial Statements
Year Ended March 31, 2026

9. Annual conference expenditures

	2026	2025
Hospitality	10,731	21,400
Overhead allocations	87,845	85,285
Planning costs	28,444	31,846
Printing, supplies and miscellaneous	5,895	5,600
Research symposium	1,500	1,500
	\$ 134,415	\$ 145,631

Overhead costs are allocated to the Annual TESL Ontario Conference based on a proportionate share of general, administrative and operating expenses that reflect the utilization of these resources for conference related activities.

10. Operating lease commitments

Future minimum payments for operating leases that have initial or remaining terms of one year or more consist of the following amounts:

	Premises	Equipment
2027	\$ 18,614	\$ 299
2028	-	299
2029	-	274
	\$ 18,614	\$ 872

11. Internally restricted reserve

The Board of Directors decided to internally restrict funds to ensure the financial stability of the Association during periods of unexpected revenue shortfalls, economic downturns or other unforeseen circumstances. During the year, the total amount transferred from the unrestricted net assets to the internally restricted reserve is \$nil (2025 - \$400,000).

12. Financial instruments

The Association's financial instruments consist of cash and cash equivalents, short-term investments, and accounts payable and accrued liabilities.

Liquidity risk

The Association's exposure to liquidity risk is dependent on purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. The Association controls liquidity risk by management of working capital and cash flows.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest rate, credit, market, or currency risks.

