

**TEACHING ENGLISH AS A SUBSEQUENT LANGUAGE
SASKATCHEWAN INC.**

Financial Statements

Year Ended December 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Teaching English as a Subsequent Language Saskatchewan Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Teaching English as a Subsequent Language Saskatchewan Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management to review significant accounting, reporting and internal control matters. The financial statements are approved following the Board's review of the financial statements and discussions with the Independent Practitioner. The Board also considers, for review and approval by the members, the waiver of an audit and the engagement or re-appointment of the external Independent Practitioner.

The financial statements have been reviewed on behalf of the members by MWC Chartered Professional Accountants LLP Chartered Accountants LLP, in accordance with Canadian generally accepted standards for review engagements.



Chair of the Board



Secretary Treasurer

Regina, SK
January 31, 2022



Chartered Professional
Accountants LLP

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Teaching English as a Subsequent Language Saskatchewan Inc.

We have reviewed the accompanying financial statements of Teaching English as a Subsequent Language Saskatchewan Inc. (the Organization) that comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Organization derives revenue from fees and fundraising, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to with respect to revenues, excess of revenues (expenses), and cash flows from operations for the year ended December 31, 2021, and 2020, current assets and net assets as at December 31, 2021 and 2020. Our review conclusion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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An asset to our clients, not an expense

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Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Teaching English as a Subsequent Language Saskatchewan Inc. as at December 31, 2021, 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).

MWCLLP

Chartered Professional Accountants

Regina, Saskatchewan
January 31, 2022

TEACHING ENGLISH AS A SUBSEQUENT LANGUAGE SASKATCHEWAN INC.

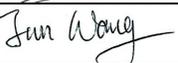
Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 22,373	\$ 15,950
Term deposits (Note 4)	10,968	10,913
Prepaid expenses	-	3,675
	33,341	30,538
RESTRICTED CASH (Note 5)	6,000	6,000
	\$ 39,341	\$ 36,538
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 2,886	\$ 7,705
 NET ASSETS		
General fund	30,455	22,833
Internal restricted fund	6,000	6,000
	36,455	28,833
	\$ 39,341	\$ 36,538
 CONTRACTUAL OBLIGATION (Note 7)		

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

See accompanying notes to financial statements

TEACHING ENGLISH AS A SUBSEQUENT LANGUAGE SASKATCHEWAN INC.

Statement of Operations Year Ended December 31, 2021

	2021	2020
REVENUES		
Membership fees	\$ 14,375	\$ 15,916
SaskCulture grant	15,000	15,000
Joint conference fundraising	11,392	63
Scholarships	1,000	1,000
Accreditation fees	730	505
Interest income	55	93
Other	43	75
	42,595	32,652
EXPENSES		
Secretary treasurer contract	17,480	19,700
Conference	6,745	4,272
Professional fees	2,886	2,720
Memberships	1,830	4,737
Office	1,813	1,851
Advertising and promotion	1,526	7,104
Scholarships	1,000	-
Insurance	822	747
Consulting fees	494	494
Interest and bank charges	377	234
Board expenses	-	1,531
Professional development and training	-	906
	34,973	44,296
EXCESS OF REVENUES (EXPENSES)	\$ 7,622	\$ (11,644)

Statement of Changes in Net Assets Year Ended December 31, 2021

		General Fund	Internal Restricted Fund	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$	22,833	\$ 6,000	\$ 28,833	\$ 40,477
EXCESS OF REVENUES (EXPENSES)		7,622	-	7,622	(11,644)
NET ASSETS - END OF YEAR	\$	30,455	\$ 6,000	\$ 36,455	\$ 28,833

TEACHING ENGLISH AS A SUBSEQUENT LANGUAGE SASKATCHEWAN INC.

Statement of Cash Flows Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 7,622	\$ (11,644)
Item not affecting cash:		
Reinvested earnings on term deposits	(55)	(93)
	7,567	(11,737)
Changes in non-cash working capital:		
Accounts receivable	-	3,500
Accounts payable	(4,819)	4,876
Prepaid expenses	3,675	-
	(1,144)	8,376
INCREASE (DECREASE) IN CASH FLOW	6,423	(3,361)
CASH - BEGINNING OF YEAR	21,950	25,311
CASH - END OF YEAR	\$ 28,373	\$ 21,950
CASH CONSISTS OF:		
Cash	\$ 22,373	\$ 15,950
Restricted cash	6,000	6,000
	\$ 28,373	\$ 21,950

TEACHING ENGLISH AS A SUBSEQUENT LANGUAGE SASKATCHEWAN INC.

Notes to Financial Statements
Year Ended December 31, 2021

1. NATURE OF OPERATIONS

Teaching English as a Subsequent Language Saskatchewan Inc. (the "Organization") is a not-for-profit organization incorporated provincially under the Non-profit Corporations Act of Saskatchewan. The organization is exempt from the payment of income tax under Section 149(1)(l) of the Income Tax Act.

The Organization operates to facilitate and represent "English as a Subsequent Language" educators in professional development and accreditation.

2. ECONOMIC DEPENDENCE

The Organization is economically dependent on funding from SaskCulture in order to maintain their current level of operations. In the event this funding is no longer provided, the Organization would have to obtain replacement funding of the same or greater level or there would be significant doubt as to their ability to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Fund accounting

Teaching English as a Subsequent Language Saskatchewan Inc. uses fund accounting and has the following funds at yearend:

The General fund reports the day-to-day operations of the Organization.

The Internal restricted fund is an internally restricted fund by the board of directors for the purpose of an organizational reserve.

Revenue recognition

Teaching English as a Subsequent Language Saskatchewan Inc. follows the deferral method of accounting for contributions, including grants and scholarships.

Restricted contributions are recognized as revenue in the year 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 fees, accreditation fees, and miscellaneous income are recognized when received.

Joint conference fundraising revenue and interest income are recognized in the year earned.

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TEACHING ENGLISH AS A SUBSEQUENT LANGUAGE SASKATCHEWAN INC.

Notes to Financial Statements
Year Ended December 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. 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.

Financial assets including cash, term deposits, and accounts receivable are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

4. TERM DEPOSITS

	<u>2021</u>	<u>2020</u>
Term deposit maturing July 6, 2021 with interest at 0.70%	\$ -	\$ 10,913
Term deposit maturing July 6, 2022 with interest at 0.30%	10,968	-
	<u>\$ 10,968</u>	<u>\$ 10,913</u>

5. RESTRICTED CASH

No separate account is held for the Internal restricted fund, rather an apportionment of the General fund bank account is provided.

6. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2021.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, and accounts payable.

7. CONTRACTUAL OBLIGATIONS

The Organization has entered into a contract with the Secretary Treasurer to provide management and accounting services. The terms of the contract are July 1, 2021 to June 30, 2022. The contract requires the Organization to pay \$1,000/month.

TEACHING ENGLISH AS A SUBSEQUENT LANGUAGE SASKATCHEWAN INC.

Notes to Financial Statements

Year Ended December 31, 2021

8. UNCERTAINTY OF IMPACT OF COVID-19

In early 2020, the federal and provincial governments in Canada implemented measures intended to reduce the impact of the Covid-19 pandemic on individuals and organizations. These regulations have effected organizations in different ways, however, as of the report date no significant financial loss has been incurred by the Organization. However, the ongoing impact of the continued government measures subsequently remain uncertain.