

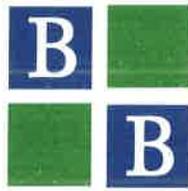
ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
FINANCIAL STATEMENTS
DECEMBER 31, 2018



ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
FINANCIAL STATEMENTS
DECEMBER 31, 2018

SUMMARY

	Page
Independent auditor's report	2 - 3
Appendix to independent auditor's report – Description of the auditor's responsibilities for the audit of the financial statements	4
Statement of operations	5
Changes in net assets	6
Statement of financial position	7
Statement of cash flow	8
Notes to financial statements	9 - 14



Boyer & Boyer

Comptables professionnels agréés / Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of
Association of Translators and Interpreters of Ontario

Opinion

We have audited the financial statements of Association of Translators and Interpreters of Ontario (the association), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flow 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 December 31, 2018, 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.

Material Uncertainty Related to Going Concern

During our audit, we have identified negative net assets resulting from insufficient revenue over expenses for the last five years and the deterioration of key financial ratios as factors that could affect the continuity of operations. As a result, we have asked the management of the association for a written statement that these action plans reflect their intentions and implemented additional procedures to allow us to assess at an acceptable level that these action plans are likely to put an end to the uncertainty identified.

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.

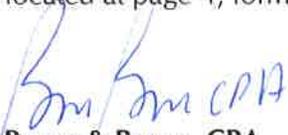
In preparing the financial statements, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the association 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.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description, which is located at page 4, forms part of our auditor's report.



Boyer & Boyer, CPA
Licensed Public Accountants

Ottawa
April 16, 2019



APPENDIX TO INDEPENDENT AUDITOR'S REPORT

Description of the Auditor's Responsibilities for the Audit of the 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.



ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

Page 5

	2018	2017
Revenues		
Membership	\$ 346,689	\$ 331,900
Exam	151,336	106,220
Application	18,634	12,039
Events and activities	17,274	13,780
Promotion and marketing	12,720	13,299
Seals, stamps and other products	6,635	4,070
Other income	6,306	2,691
Donations	2,671	-
	562,265	483,999
Administrative expenses		
Salaries and fringe benefits	306,670	237,786
Operations	134,797	137,636
Exam fees	83,885	66,212
Professional fees	46,099	22,560
Business technology	31,034	30,907
Travel expenses	27,778	35,860
Advertising and promotion	8,615	4,690
Amortization of capital assets	3,745	3,228
Amortization of intangible assets	2,875	3,040
Miscellaneous	914	624
Bad debts	459	-
	646,871	542,543
Deficiency of revenues over expenses	\$ (84,606)	\$ (58,544)

**ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
CHANGES IN NET ASSETS**

FOR THE YEAR ENDED DECEMBER 31, 2018

Page 6

	Internally restricted	Bursaries and awards program	Unrestricted	2018 Total	2017 Total
Balance, beginning of year	\$ 94,134	\$ 2,082	\$ (66,316)	\$ 29,900	\$ 86,334
Deficiency of revenues over expenses	-	-	(84,606)	(84,606)	(58,544)
Bursary awarded	-	(1,000)	-	(1,000)	-
Interest earned	971	-	-	971	1,343
Donations	-	2,671	(2,671)	-	2,082
Interfunds transfer (note 11)	(84,129)	-	84,129	-	(1,315)
Balance, end of year	\$ 10,976	\$ 3,753	\$ (69,464)	\$ (54,735)	\$ 29,900



ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
 STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

Page 7

	2018	2017
Assets		
Current assets		
Cash	\$ 142,941	\$ 44,710
Short-term investments (note 3)	14,729	19,928
Accounts receivable (note 4)	27,577	55,498
Prepaid expenses	40,335	40,714
	225,582	160,850
Fixed assets (note 5)	8,363	11,046
Intangible assets (note 6)	12,885	10,060
	\$ 246,830	\$ 181,956
Liabilities		
Current liabilities		
Accounts payable (note 7)	\$ 63,210	\$ 17,488
Deferred income (note 8)	238,355	134,568
	301,565	152,056
Net assets (deficiency)		
Internally restricted	10,976	94,134
Bursaries and awards program	3,753	2,082
Unrestricted	(69,464)	(66,316)
	(54,735)	29,900
	\$ 246,830	\$ 181,956

Signed for the Board,

_____, Director

_____, Director

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2018

Page 8

	2018	2017
Operating activities		
Deficiency of revenues over expenses	\$ (84,635)	\$ (56,434)
Non-cash items:		
Amortization of fixed assets	3,745	3,228
Amortization of intangible assets	2,875	3,040
	(78,015)	(50,166)
Net change in non-cash working capital items:		
Accounts receivable	27,921	(46,471)
Prepaid expenses	379	(11,342)
Accounts payable	45,722	(26,378)
Deferred income	103,787	59,056
	99,794	(75,301)
Investing activities		
Disposal of investments	(90)	29,742
Acquisition of tangible assets	(1,060)	(975)
Acquisition of intangible assets	(5,700)	-
	(6,850)	28,767
Increase (decrease) in cash and cash equivalents	92,944	(46,534)
Cash and cash equivalents, beginning of year	54,511	101,045
Cash and cash equivalents, end of year	\$ 147,455	\$ 54,511
Cash and cash equivalents		
Cash	\$ 142,941	\$ 44,710
Short-term investments	4,514	9,801
	\$ 147,455	\$ 54,511

1. Nature of activities

The Association of Translators and Interpreters of Ontario (the Association) is a non-profit association promoting, through standardized, nation-wide criteria, a high level of competence in the fields of conference interpreting, court interpreting, translation and terminology. The Association is incorporated without share capital by Ontario Letters Patent, and is not subject to income taxes.

2. Significant accounting policies

The association applies the Canadian accounting standards for not-for-profit organizations.

Restrictions on net assets

Unrestricted funds

The unrestricted funds is used for the general operating activities of the Association. This fund includes the unrestricted balances of assets, liabilities, revenue and expenses.

Internally restricted net assets

The Board of Directors have restricted funds for the purpose of establishing a Capital Replacement and Operating reserve. These internally restricted amounts are not available for any other purpose without the approval of the Board of Directors.

Bursaries & awards program

The program collects donations to support individuals who have excellent academic achievements while studying in accredited educational institutions in interpretation or translation.

Revenues recognition

The Association follow the deferral method of accounting for contributions. Under this method contributions restricted for future period expenses are deferred and 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.

a) Membership fees

Membership fees are recognized as revenue in the fiscal year due.

b) Event, Member and other services, professional development, sponsorship, public relation

These revenues are recognized in the year in which the services are provided.

2. Significant accounting policies (continued)

Revenues recognition (continued)

c) Interest Income

Interest income is recognized in the year in which it is earned and belongs to the Capital Replacement and Operating reserve.

d) Other income

Other income is recognized in the year in which the services is rendered.

Fixed assets

Tangible capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the straight-line method at the rate of 20%.

Intangible assets

Intangible assets are recorded at cost. Amortization is calculated on the estimated useful life of the assets on the straight-line method over 10 years for the database and over 5 years for the corporation cost.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the useful life of tangible capital assets and intangible assets subject to amortization as well as the accrued liabilities

Cash and cash equivalents

The association's policy is to present bank balances, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, under cash and cash equivalents.

Financial instruments

Initial and subsequent measurement

The association initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

2. Significant accounting policies (continued)**Financial instruments (continued)**

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

Financial assets measured at amortized cost on a straight-line basis include cash, money market, term deposits and trade and other accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include the accounts payable.

3. Short-term investments

	2018	2017
Term deposit	\$ 10,215	\$ 10,127
Money Market Fund	4,514	9,801
	<u>\$ 14,729</u>	<u>\$ 19,928</u>

From the total of the investments, an amount of \$3,753 has been allocated to the bursaries and awards program.

4. Accounts receivable

	2018	2017
Trade	\$ 27,577	\$ 51,758
Sales tax receivable	-	3,740
	<u>\$ 27,577</u>	<u>\$ 55,498</u>

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2018

Page 12

5. Fixed assets

	2018		2017	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and equipment	\$ 6,004	\$ 6,004	\$ -	\$ -
Computer hardware	17,260	8,897	8,363	11,046
	\$ 23,264	\$ 14,901	\$ 8,363	\$ 11,046

6. Intangible assets

	2018 Net book value	2017 Net book value
Database management system	\$ 8,040	\$ 10,060
Corporation cost	4,845	-
	\$ 12,885	\$ 10,060

7. Accounts payable

	2018	2017
Accounts payable and accrued liabilities	\$ 46,985	\$ 11,831
Salaries payable	-	5,657
Sales tax payable	16,225	-
	\$ 63,210	\$ 17,488

8. Deferred income

Deferred income represents unused resources which, as a result of external restrictions, are intended to cover membership and examination expenses for the coming year.

9. Financial instruments

Financial risks

The association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

Liquidity risk

Liquidity risk is the risk that the association will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect its accounts payable.

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.

For the other receivables, the association determines, on a continuing basis, the probable losses and sets up a provision for losses based on the estimated realizable value.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The association is exposed to interest rate risk on its fixed-interest rate financial instruments. Fixed interest rate instruments subject the association to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

10. Commitments

The commitment of the association under a lease agreement for rental of office space and equipment, expiring November 2019 which aggregates to \$30,096. The instalments over the next year are the following:

2019	\$	30,096
------	----	--------



11. Interfunds transfer

In 2018, the Board of Director approved the internally restricted funds to cover deficiency of revenues over expenses of the year.