THE ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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DECEMBER 31, 2020

SUMMARY

Boyer & Boyer
Comptables professionnels agréés / Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the board of
The Association of Translators and Interpreters of Ontario

Opinion

We have audited the financial statements of The Association of Translators and Interpreters of Ontario (the association), which comprise the statement of financial position as at December 31, 2020, 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 December 31, 2020, 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.

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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
Chartered Professional Accountants, Licensed Public Accountants
Licensed Public Accountants

Ottawa, Ontario
April 24, 2021

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.

THE ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2020

		2020		2019
Revenues				
Membership	$	392,537	$	343,680
Exam		41,724		137,035
Application		10,105		18,504
Events and activities		10,048		15,671
Promotion and marketing		4,618		9,715
Seals, stamps and other products		2,973		4,679
Other income		2,320		4,066
Donations		964		908
		465,289		534,258
Administrative expenses				
Salaries and fringe benefits		173,571		258,780
Operations		72,824		120,012
Professional fees		51,419		47,167
Business technology		18,523		33,669
Interest, penalties, and arrears HST (Note 11)		17,711		-
Exam fees		14,804		99,014
Amortization of capital assets		2,610		3,177
Amortization of intangible assets		2,140		3,160
Miscellaneous		1,208		783
Travel expenses		771		17,157
Advertising and promotion		678		2,890
		356,259		585,809
Excess (deficiency) of revenues over expenses	$	109,030	$	(51,551)

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

THE ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2020

	Internally restricted	Bursaries and award program	Unrestricted	2020 Total	2019 Total
Balance, beginning of year	$ 11,078	$ 3,753	$ (121,017)	$ (106,186)	$ (54,737)
Excess (deficiency) of revenues over expenses	-	-	109,030	109,030	(51,551)
Interest gained	-	-	-	-	102
Balance, end of year	$ 11,078	$ 3,753	$ (11,987)	$ 2,844	$ (106,186)

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

THE ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	2020	2019
Assets		
Current assets		
Cash	$ 211,914	$ 164,018
Short-term investments (Note 3)	60,583	10,397
Accounts receivable	1,780	9,807
Prepaid expenses	30,991	26,433
	305,268	210,655
Fixed assets (Note 4)	3,398	5,186
Intangible assets (Note 5)	7,585	9,725
	$ 316,251	$ 225,566
Liabilities		
Current liabilities		
Accounts payable (Note 6)	$ 18,567	$ 80,854
Deferred income (Note 7)	254,840	250,898
	273,407	331,752
Long term debt (Note 8)	40,000	-
	313,407	331,752
Net assets (deficiency)		
Internally restricted	11,078	11,078
Bursaries and awards program	3,753	3,753
Unrestricted	(11,987)	(121,017)
	2,844	(106,186)
	$ 316,251	$ 225,566

Signed for the Board,

______________ Denis Couillard, President

Pasquale Capo
Pasquale Capo (Apr 21, 2021 14:38 EDT)
______________ Pasquale Capo, Treasurer

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

	2020	2019
Operating activities		
Excess (deficiency) of revenues over expenses	$ 109,030	$ (51,451)
Non-cash items:		
Amortization of fixed assets	2,610	3,177
Amortization of intangible assets	2,140	3,160
	113,780	(45,114)
Net change in non-cash items related to operating activities:		
Accounts receivable	8,027	17,770
Prepaid expenses	(4,558)	13,902
Accounts payable	(62,287)	17,644
Deferred income	3,942	12,543
	58,904	16,745
Investing activities		
Investment acquisition	(82)	(10,330)
Acquisition of intangible assets	(822)	-
	(904)	(10,330)
Financing activity		
Long-term borrowings	40,000	-
Increase in cash and cash equivalents	98,000	6,415
Cash and cash equivalents, beginning of year	164,085	157,670
Cash and cash equivalents, end of year	$ 262,085	$ 164,085
Cash and cash equivalents		
Cash	$ 211,914	$ 164,018
Money Market Funds	50,171	67
	$ 262,085	$ 164,085

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

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 in Part III of the CPA Canada Handbook – Accounting.

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.

2. Significant accounting policies (continued)

Revenues recognition (continued)

b) Event, Member and other services, professional development, sponsorship, public relation
These revenues are recognized in the year in which the services are provided.

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 under cash and cash equivalents, including bank overdrafts when bank balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of three months or less from the date of acquisition. In addition, term deposits that the association cannot use for current transactions because they are pledged as collateral are excluded from cash and cash equivalents.

2. Significant accounting policies (continued)

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.

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

	2020	2019
Term deposit maturing July 2021	$ 10,412	$ 10,330
Money Market Fund	50,171	67
	$ 60,583	$ 10,397

From the total of the investments, an amount of $3,753 has been allocated to the bursaries and awards program and $11 078 to the internally restricted Funds

4. Fixed assets

	2020			2019
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and equipment	$ 6,004	$ 6,004	$ -	$ -
Computer hardware	18,082	14,684	3,398	5,186
	$ 24,086	$ 20,688	$ 3,398	$ 5,186

5. Intangible assets

	2020 Net book value	2019 Net book value
Database management system	$ 5,020	$ 6,020
Corporation cost	2,565	3,705
	$ 7,585	$ 9,725

6. Accounts payable

	2020	2019
Accounts payable and accrued liabilities	$ 11,206	$ 79,827
Sales tax payable	7,361	1,027
	$ 18,567	$ 80,854

7. 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.

8. Long term debt

	2020	2019
Canada Emergengy Business Account	$ 40,000	$ -

In April 2020, the Association received $40,000 of Canada Emergency Business Account (CEBA) loan from the Government of Canada. The CEBA loan was launched to ensure small businesses have access to the capital they need to see them through the current challenges, and better position them to quickly return to providing services to their communities and creating employment. The CEBA loan has no specified repayment terms and is at 0% interest until December 31, 2022. The remaining balance is then converted to a 3-year term loan at an interest rate of 5% per annum. If the balance of the loan is fully repaid on or before December 31, 2022, it will result in loan forgiveness of 25% or $10,000

9. Financial instruments

Financial risks

The significant risks arising from financial instruments to which the association is exposed as at December 31, 2020 are detailed 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 June 2018 which aggregates to $25,455. The instalments over the next year are the following:

2021	$	25,455

11. HST reconciliation

The association has reconciled the HST receivable balance for the year ending from 2015 to 2020 resulting of an offset of the amount receivable of $17,711.
This balance represents amounts in arrears, interests and penalties, and several reassessments from CRA over the mentioned period. This balance does not pertain to the operations of the year 2020. It is the result of matching the association's HST accounts with CRA accounts as of December 31, 2020. The association's HST position with CRA is hence up to date.

12. Subsequent event

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is closely monitoring the situation and has anticipated changes in other revenue and expenses and factored them into their budget planning.

The overall effect of these events on the organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.