

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

FINANCIAL STATEMENTS

DECEMBER 31, 2021



ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
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DECEMBER 31, 2021

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Association of Translators and Interpreters of Ontario

We have reviewed the accompanying financial statements of Association of Translators and Interpreters of Ontario Association 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.

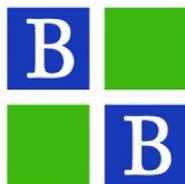
Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.



Boyer & Boyer

Comptables professionnels agréés / Chartered Professional Accountants

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.

Conclusion

Based on our review, 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 Association of Translators and Interpreters of Ontario Association 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.

Boyer & Boyer, CPA
Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
April 30, 2022

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO**STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2021**

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	2021	2020
Revenues		
Membership	\$ 364,900	\$ 392,537
Exam	64,021	41,724
Covid-19 relief program income	24,153	-
Application	13,672	10,105
Events and activities	11,424	10,048
Promotion and marketing	10,590	4,618
Seals, stamps and other products	6,262	2,973
Other income	4,015	2,320
Donations	432	964
	499,469	465,289
Administrative expenses		
Salaries and fringe benefits	157,114	173,571
Professional fees	104,863	51,419
Operations	74,869	72,824
Exam fees	48,415	14,804
Business technology	19,591	18,523
Amortization of capital assets	2,712	2,610
Amortization of intangible assets	2,140	2,140
Interest, penalties, and arrears HST	-	17,711
Miscellaneous	-	1,208
Travel expenses	-	771
Advertising and promotion	-	678
	409,704	356,259
Excess of revenues over expenses	\$ 89,765	\$ 109,030

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2021

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				2021	2020
	Internally restricted	Bursaries and award program	Unrestricted	Total	Total
Balance, beginning of year	\$ 11,078	\$ 3,753	\$ (11,987)	\$ 2,844	\$ (106,186)
Excess of revenues over expenses	-	-	89,765	89,765	109,030
Interfunds transfer (Note 2)	(11,078)	-	11,078	-	-
Balance, end of year	\$ -	\$ 3,753	\$ 88,856	\$ 92,609	\$ 2,844

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

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	2021	2020
Assets		
Current assets		
Cash	\$ 244,700	\$ 211,914
Saving accounts (Note 3)	150,565	60,583
Accounts receivable	-	1,780
Prepaid expenses	29,712	30,991
	424,977	305,268
Fixed assets (Note 4)	686	3,398
Intangible assets (Note 5)	5,445	7,585
	\$ 431,108	\$ 316,251
Liabilities		
Current liabilities		
Accounts payable (Note 6)	\$ 39,294	\$ 18,567
Deferred income (Note 7)	279,205	254,840
	318,499	273,407
Long-term debt (Note 8)	20,000	40,000
	338,499	313,407
Net assets		
Internally restricted	-	11,078
Bursaries and awards program	3,753	3,753
Unrestricted	88,856	(11,987)
	92,609	2,844
	\$ 431,108	\$ 316,251

Signed for the Board,

_____, Director

_____, Director

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2021**

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	2021	2020
Operating activities		
Excess of revenues over expenses	\$ 89,765	\$ 109,030
Non-cash items:		
Amortization of fixed assets	2,712	2,610
Loan forgiveness	(20,000)	-
Amortization of intangible assets	2,140	2,140
	74,617	113,780
Net change in non-cash items related to operating activities:		
Accounts receivable	1,780	8,027
Prepaid expenses	1,279	(4,558)
Accounts payable	20,727	(62,287)
Deferred income	24,365	3,942
	122,768	58,904
Investing activities		
Investment acquisition	-	(82)
Acquisition of tangible assets	-	(822)
	-	(904)
Financing activities		
Long-term borrowings	20,000	40,000
Repayment of long-term debt	(20,000)	-
	-	40,000
Increase in cash and cash equivalents	122,768	98,000
Cash and cash equivalents, beginning of year	272,497	164,085
Cash and cash equivalents, end of year	\$ 395,265	\$ 262,085

Cash and cash equivalents consist of cash and temporary investments (Note 3)

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 are 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 had established restricted funds for the purpose of maintaining 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. In 2021 the Board has decided to close the reserve and transfer its remaining funds to the unrestricted funds.

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.

2. Significant accounting policies (continued)

Revenues recognition (continued)

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.

c) Interest Income

Interest income is recognized in the year in which it is earned.

d) Other revenues

Other revenues are recognized in the year in which they are received.

e) Covid-19 relief income

Covid-19 subsidies are recognized in the year in which the relevant period occurred.

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 amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the impairment of assets, the useful lives of property, plant and equipment and intangible assets subject to amortization.

2. Significant accounting policies (continued)

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 temporary investments with a maturity period of three months or less from the date of acquisition.

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 and deferred income.

3. Saving accounts

	2021	2020
Term deposit maturing July 2021	\$ -	\$ 10,412
Money Market Fund	150,565	50,171
	<u>\$ 150,565</u>	<u>\$ 60,583</u>

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

4. Fixed assets

	2021			2020	
	Cost	Accumulated amortization	Net book value	Net book value	
Furniture and equipment	\$ 6,004	\$ 6,004	\$ -	\$ -	
Computer hardware	18,082	17,396	686	3,398	
	\$ 24,086	\$ 23,400	\$ 686	\$ 3,398	

5. Intangible assets

	2021 Net book value	2020 Net book value
Database management system	\$ 4,020	\$ 5,020
Incorporation cost	1,425	2,565
	\$ 5,445	\$ 7,585

6. Accounts payable

	2021	2020
Accounts payable and accrued liabilities	\$ 12,309	\$ 11,206
Sales tax payable	26,985	7,361
	\$ 39,294	\$ 18,567

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

	2021	2020
Canada Emergency Business Account	\$ 60,000	\$ 40,000
Loan forgiveness	(20,000)	-
Loan repayment	(20,000)	-
	\$ 20,000	\$ 40,000

In April 2020, the Association received \$40,000 of Canada Emergency Business Account (CEBA) loan from the Government of Canada and in August 2021 an additional \$20,000. 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, 2023. 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, 2023, it will result in loan forgiveness of 2/3 or \$20,000. As management is reasonably certain that the Association had complied with and will continue to comply with, all conditions attached to this assistance, the forgivable portion of the loan was recognized as a grant in the statement of income according to guideline 3800.29 of the CPA Canada Handbook.

9. Financial instruments**Financial risks**

The significant risks arising from financial instruments to which the Association is exposed as at December 31, 2021 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.

10. Impact of Covid-19

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.

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.

