

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
FINANCIAL STATEMENTS
DECEMBER 31, 2022





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, that comprise the statement of financial position as at December 31, 2022, 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

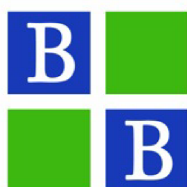
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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.

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.



Boyer & Boyer

Comptables professionnels agréés / Chartered Professional Accountants

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 as at December 31, 2022, 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.

A handwritten signature in blue ink that reads "Boyer & Boyer CPA".

Boyer & Boyer, CPA
Chartered Professional Accountants, Licensed Public Accountants
Licensed Public Accountants

Ottawa, Ontario
April 29, 2023

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2022

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	2022	2021
Revenues		
Membership	\$ 388,266	\$ 364,900
Exam	83,198	64,021
Promotion and marketing	30,491	10,590
Application	17,715	13,672
Events and activities	13,248	11,424
Seals, stamps and other products	7,818	6,262
Other income	6,939	4,015
Donations	897	432
Covid-19 relief program income	-	24,153
	<hr/> 548,572	<hr/> 499,469
Administrative expenses		
Salaries and fringe benefits	185,582	157,114
Operations	93,006	74,869
Exam fees	62,054	48,415
Professional fees	23,873	104,863
Business technology	22,112	19,591
Amortization of intangible assets	2,140	2,140
Amortization of capital assets	685	2,712
Travel expenses	582	-
	<hr/> 390,034	<hr/> 409,704
Excess of revenues over expenses	<hr/> \$ 158,538	<hr/> \$ 89,765

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

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

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	Bursaries and award program		Unrestricted	2022 Total	2021 Total			
Balance, beginning of year	\$	3,753	\$	88,856	\$	92,609	\$	2,844
Excess of revenues over expenses		-		158,538		158,538		89,765
Balance, end of year	\$	3,753	\$	247,394	\$	251,147	\$	92,609

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

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

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	2022	2021
Assets		
Current assets		
Cash	\$ 216,288	\$ 244,700
Saving accounts (Note 3)	328,679	150,565
Prepaid expenses	20,211	29,712
	565,178	424,977
Fixed assets (Note 4)	-	686
Intangible assets (Note 5)	3,305	5,445
	\$ 568,483	\$ 431,108
Liabilities		
Current liabilities		
Accounts payable (Note 6)	\$ 39,557	\$ 39,294
Deferred income	277,779	279,205
	317,336	318,499
Long-term debt (Note 8)	-	20,000
	317,336	338,499
Net assets		
Bursaries and awards program	3,753	3,753
Unrestricted	247,394	88,856
	251,147	92,609
	\$ 568,483	\$ 431,108

Signed for the Board,

[Signature] President, Director 4/26/2023

_____, Director

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

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2022**

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	2022	2021
Operating activities		
Excess of revenues over expenses	\$ 158,538	\$ 89,765
Non-cash items:		
Amortization of fixed assets	686	2,712
Loan forgiveness	-	(20,000)
Amortization of intangible assets	2,140	2,140
	161,364	74,617
Net change in non-cash items related to operating activities:		
Accounts receivable	-	1,780
Prepaid expenses	9,501	1,279
Accounts payable	263	20,727
Deferred income	(1,426)	24,365
	169,702	122,768
Financing activities		
Long-term borrowing	-	20,000
Repayment of long-term debt	(20,000)	(20,000)
	(20,000)	-
Increase in cash and cash equivalents	149,702	122,768
Cash and cash equivalents, beginning of year	395,265	272,497
Cash and cash equivalents, end of year	\$ 544,967	\$ 395,265

Cash and cash equivalents consist of cash and temporary investments.

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.

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.

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 follows 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.

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.

2. Significant accounting policies (continued)

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 the equipment and intangible assets subject to amortization.

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 measurement

The association initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and 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.

Subsequent measurement

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

Financial assets measured at amortized cost using the straight-line method include cash, term deposits, trade and other receivables, except for accounts receivable from a company under common control, and notes receivable.

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

A financial liability issued by the association in an arm's length transaction indexed to a measure of the association's financial performance or to changes in the value of the association's equity is remeasured at the higher of the amortized cost of the debt or the amount that would be due at the balance sheet date if the formula determining the additional amount was applied at that date. The amount of the adjustment relating to the additional amount is recognized in income and presented as a separate component of interest expense.

3. Saving accounts

	2022	2021
Business investment account	\$ 328,679	\$ 150,565

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

4. Fixed assets

	2022			2021	
	Cost	Accumulated amortization	Net book value	Net book value	
Furniture and equipment	\$ 6,004	\$ 6,004	\$ -	\$ -	
Computer hardware	18,082	18,082	-	686	
	\$ 24,086	\$ 24,086	\$ -	\$ 686	

5. Intangible assets

	2022 Net book value	2021 Net book value
Database management system	\$ 3,020	\$ 4,020
Incorporation cost	285	1,425
	\$ 3,305	\$ 5,445

6. Accounts payable

	2022	2021
Accounts payable and accrued liabilities	\$ 11,357	\$ 12,309
Sales tax payable	28,200	26,985
	<u>\$ 39,557</u>	<u>\$ 39,294</u>

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

	2022	2021
Canada Emergency Business Account	\$ 20,000	\$ 60,000
Loan's forgiveness	-	(20,000)
Loan's repayment	(20,000)	(20,000)
	<u>\$ -</u>	<u>\$ 20,000</u>

In April 2020, the Association received \$40,000 in 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, 2022 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.