

Association of Translators and Interpreters of Ontario
Financial Statements
December 31, 2023



Independent Auditor's Report

To the members of
Association of Translators and Interpreters of Ontario

Qualified Opinion

We have audited the financial statements of Association of Translators and Interpreters of Ontario, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 organization 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 qualified 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 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.

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Independent Auditor's Report, continued

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. 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 organization'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 organization'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 organization 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.



Ottawa, ON
April 23, 2024

Numeris CPA Professional Corporation
Chartered Professional Accountant
Licensed Public Accountant

Association of Translators and Interpreters of Ontario
Statement of Financial Position
As at December 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Assets | | |
| Current | | |
| Cash | \$ 274,490 | \$ 216,288 |
| Marketable securities (note 3) | 355,286 | 328,679 |
| Prepaid expenses | 17,248 | 20,211 |
| | 647,024 | 565,178 |
| Capital assets (note 4) | 2,416 | 3,020 |
| Incorporation costs (note 5) | - | 285 |
| | \$ 649,440 | \$ 568,483 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 31,248 | \$ 11,356 |
| Unearned revenue (note 6) | 249,765 | 277,779 |
| Government remittances payable | 24,315 | 28,200 |
| | 305,328 | 317,335 |
| Balance | 344,112 | 251,148 |
| | \$ 649,440 | \$ 568,483 |

On behalf of the Board

DocuSigned by:

Pasquale Capo

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Member

Member

Association of Translators and Interpreters of Ontario
Statement of Operations
and Changes in Net Assets
Year ended December 31, 2023

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| Revenues | | |
| Membership | \$ 368,909 | \$ 388,266 |
| Exam | 76,311 | 83,198 |
| Promotion and marketing | 17,150 | 30,491 |
| Other revenue | 11,931 | 6,939 |
| Events and activities | 10,000 | 13,248 |
| Seals, stamps and other products | 6,849 | 7,818 |
| Application | 6,733 | 17,715 |
| Donations | <u>429</u> | <u>897</u> |
| | <u>498,312</u> | <u>548,572</u> |
| Expenditures | | |
| Salaries and related benefits | 194,785 | 185,555 |
| Operations | 90,859 | 93,034 |
| Exam fees | 48,031 | 62,054 |
| Accounting and legal | 34,515 | 23,871 |
| Business technology | 33,361 | 22,112 |
| Travel | 2,908 | 582 |
| Amortization | <u>889</u> | <u>2,825</u> |
| | <u>405,348</u> | <u>390,033</u> |
| Excess of revenues over expenditures | 92,964 | 158,539 |
| Balance, beginning of year | <u>251,148</u> | <u>92,609</u> |
| Balance, end of year | <u>\$ 344,112</u> | <u>\$ 251,148</u> |

Association of Translators and Interpreters of Ontario
Statement of Cash Flows
Year ended December 31, 2023

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| Operating activities | | |
| Excess of revenues over expenditures | \$ 92,964 | \$ 158,539 |
| Adjustment for | | |
| Amortization | <u>889</u> | <u>2,825</u> |
| | 93,853 | 161,364 |
| Change in non-cash working capital items | | |
| Marketable securities | (26,607) | (178,114) |
| Accounts receivable | - | 502 |
| Prepaid expenses | 2,963 | 2,701 |
| Accounts payable and accrued liabilities | 19,892 | (948) |
| Unearned revenue | (28,014) | 5,374 |
| Government remittances payable | (3,885) | 1,113 |
| Other | <u>-</u> | <u>76</u> |
| Net increase (decrease) in cash | 58,202 | (7,932) |
| Cash, beginning of year | <u>216,288</u> | <u>224,220</u> |
| Cash, end of year | <u>\$ 274,490</u> | <u>\$ 216,288</u> |

Association of Translators and Interpreters of Ontario
Notes to the Financial Statements
December 31, 2023

1. Nature of operations

Association of Translators and Interpreters of Ontario (the Organization) 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

(a) Restrictions on net assets

Unrestricted funds

The unrestricted funds are used for the general operating activities of the organization. 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.

(b) Revenue recognition

The organization follows the deferral method of accounting for contributions. 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.

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.

(c) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

| | |
|------------------------|-----------------------|
| Furniture and fixtures | 20% Declining balance |
| Computer equipment | 20% Declining balance |
| Computer software | 5 years Straight-line |

Association of Translators and Interpreters of Ontario
Notes to the Financial Statements
December 31, 2023

2. Significant accounting policies, continued

(d) 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 5 years for the corporation cost.

| | |
|---------------------|-----------------------|
| Incorporation costs | 5 years Straight-line |
|---------------------|-----------------------|

(e) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(f) 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.

(g) Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable, and due from related party.

Financial liabilities measured at amortized cost include accounts payable, government remittances payable, salaries payable, due to related parties, and long term debt.

The organization's financial asset which is measured at fair value is investments in marketable securities.

3. Marketable securities

| | |
|-------------------|-------------------|
| <u>2023</u> | <u>2022</u> |
| <u>\$ 355,286</u> | <u>\$ 328,679</u> |

From the total of the investments, an amount of \$6,613 (2022 - \$3,753) has been allocated to the bursaries and awards program.

Association of Translators and Interpreters of Ontario
Notes to the Financial Statements
December 31, 2023

4. Capital assets

| | | | <u>2023</u> | <u>2022</u> |
|------------------------|------------------|-------------------------------------|-----------------|-----------------|
| | <u>Cost</u> | <u>Accumulated amortization</u> | <u>Net</u> | <u>Net</u> |
| Furniture and fixtures | \$ 6,004 | \$ 6,004 | \$ - | \$ - |
| Computer equipment | 18,082 | 18,082 | - | - |
| Computer software | <u>30,400</u> | <u>27,984</u> | <u>2,416</u> | <u>3,020</u> |
| | <u>\$ 54,486</u> | <u>\$ 52,070</u> | <u>\$ 2,416</u> | <u>\$ 3,020</u> |

5. Incorporation costs

| | | | <u>2023</u> | <u>2022</u> |
|---------------------|-----------------|-------------------------------------|-------------|---------------|
| | <u>Cost</u> | <u>Accumulated amortization</u> | <u>Net</u> | <u>Net</u> |
| Incorporation costs | <u>\$ 4,845</u> | <u>\$ 4,845</u> | <u>\$ -</u> | <u>\$ 285</u> |

6. Unearned revenue

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

7. Comparative amounts

The financial statements for the year ended December 31, 2022 were reported on by another firm of Chartered Professional Accountants who issued an unqualified opinion in their Independent Auditor's Report dated April 29, 2023.

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation.