

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
FINANCIAL STATEMENTS
DECEMBER 31, 2016



ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
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Boyer & Boyer

Comptables professionnels agréés / Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of
Association of Translators and Interpreters of Ontario

We have audited the accompanying financial statements of Association of Translators and Interpreters of Ontario, which comprise the statement of financial position as at December 31, 2016, and the statements of earnings, changes in net assets and cash flow 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.

Auditor's Responsibility

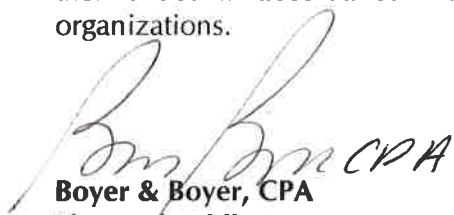
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association of Translators and Interpreters of Ontario as at December 31, 2016, 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
Licensed Public Accountants

Ottawa
April 29, 2017

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2016

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	2016	2015
Revenues		
Membership fees	\$ 355,136	\$ 345,289
Member Services (Schedule A)	45,625	31,947
Professional services	7,441	9,200
Public relations	3,069	300
Bursary funding	1,315	-
Other income	44	25,857
Sponsorship	-	6,637
	412,630	419,230
Expenses		
Salaries and fringe benefits	216,810	193,182
Administration (Schedule B)	125,919	90,384
Professional fees (Schedule F)	66,316	13,408
Member services (Schedule C)	62,583	60,846
Corporate activities (Schedule E)	45,318	15,846
Public relations (Schedule D)	26,704	52,853
Convention	17,944	10,557
Amortization	3,810	3,810
Professional development	-	6,238
Bad debts	-	3,257
	565,404	450,381
Deficiency of revenues over expenses from operations	(152,774)	(31,151)
Other revenues (expenses)		
Disciplinary committee expense (note 10)	(2,025)	(25,479)
Deficiency of revenues over expenses	\$ (154,799)	\$ (56,630)

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO
 CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Internally restricted	Unrestricted	2016 Total	2015 Total
Balance, beginning of year	\$ 212,042	\$ 27,942	\$ 239,984	\$ 294,886
Deficiency of revenues over expenses	-	(154,799)	(154,799)	(56,630)
Interest earned	1,149	-	1,149	1,728
Interfunds transfer (note 13)	(120,400)	120,400	-	-
Balance, end of year	\$ 92,791	\$ (6,457)	\$ 86,334	\$ 239,984



ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

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	2016	2015
Assets		
Current assets		
Cash	\$ 48,123	\$ 8,196
Short-term investments (note 3)	92,791	212,261
Accounts receivable (note 4)	9,027	-
Prepaid expenses	29,372	32,991
	179,313	253,448
Fixed assets (note 5)	13,299	2,695
Intangible assets (note 6)	13,100	16,140
	\$ 205,712	\$ 272,283
Liabilities		
Current liabilities		
Accounts payable (note 7)	\$ 43,866	\$ 28,950
Due to a related party (note 8)	-	1,609
Deferred income (note 9)	75,512	1,740
	119,378	32,299
Net assets		
Internally restricted	92,791	212,042
Unrestricted	(6,457)	27,942
	86,334	239,984
	\$ 205,712	\$ 272,283

Signed for the Board,

_____, Director

_____, Director

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2016

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	2016	2015
Operating activities		
Deficiency of revenues over expenses	\$ (153,650)	\$ (54,902)
Non-cash items:		
Amortization of fixed assets	3,810	3,810
Bad debts	-	3,257
	(149,840)	(47,835)
Net change in non-cash working capital items:		
Accounts receivable	(9,027)	8,929
Prepaid expenses	3,619	(376)
Accounts payable	14,916	(46,945)
Due to a related party	(1,609)	(4,707)
Deferred income	73,772	(96,526)
	(68,169)	(187,460)
Investing activities		
Disposal of investments	(9,836)	230,499
Acquisition of tangible assets	(11,374)	-
	(21,210)	230,499
Increase (decrease) in cash and cash equivalents	(89,379)	43,039
Cash and cash equivalents, beginning of year	190,424	147,385
Cash and cash equivalents, end of year	\$ 101,045	\$ 190,424
Cash and cash equivalents		
Cash	\$ 48,123	\$ 8,196
Money market	52,922	182,228
	\$ 101,045	\$ 190,424

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

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.

Revenue 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.

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.

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%.

Methods**Periods****Intangible assets**

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

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

Financial instruments*Measurement of financial instruments*

The association initially measures its financial assets and financial 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 financial 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.

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.



ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

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3. Short-term investments

	2016	2015
Term deposit	\$ 39,869	\$ 30,033
Money Market Fund	52,922	182,228
	\$ 92,791	\$ 212,261

4. Accounts receivable

	2016	2015
Trade	\$ 2,276	\$ -
Sales tax receivable	6,751	-
	\$ 9,027	\$ -

5. Fixed assets

	2016			2015	
	Cost	Accumulated amortization	Net book value	Net book value	
Furniture and equipment	\$ 6,004	\$ 6,004	\$ -	\$ -	
Computer hardware	26,628	13,329	13,299	2,695	
	\$ 32,632	\$ 19,333	\$ 13,299	\$ 2,695	

6. Intangible assets

	2016 Net book value	2015 Net book value
Database management system	\$ 13,100	\$ 16,140

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

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7. Accounts payable

	2016	2015
Accounts payable and accrued liabilities ^(a)	\$ 38,209	\$ 22,021
Salaries payable	5,657	3,132
Sales tax payable	-	3,797
	<u>\$ 43,866</u>	<u>\$ 28,950</u>

8. Due to a related party

During the year, the Association collected contributions on behalf of its registered charity, FondATIO, an organization created to offer financial support to students in the field of translation and interpretation. The total contributions collected for 2016 were nil (2015 - \$3,520). As at December 31, 2016 the balance remaining to be transferred to FondATIO was nil (2015 -\$1,609).

9. 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.

10. Disciplinary committee expense

In the current year, the Association incurred costs totalling \$2,025 (2015 - \$25,476) with regards to a disciplinary hearing. These costs were financed through the redemption of investments. The disciplinary hearing has been resolved in the current fiscal year.

11. Commitments

The commitment of the association under a lease agreement for rental of office space and equipment, expiring June 2018 which aggregates to \$6,015. The instalments over the next two years are the following:

2017	\$	4,291
2018	\$	1,724

12. 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.

13. Interfunds transfer

In 2016, the Board of Directors has approved a transfer of \$120,400 from the Capital Replacing and Operating reserve to cover the liabilities of the operating activities.

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

ADDITIONAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2016

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	2016	2015
Schedule A		
Member Services		
Examinations	\$ 22,207	\$ 18,416
InformATIO	13,553	1,600
Courses	5,154	4,268
Seals	2,796	2,846
Certification on dossier	1,009	2,690
Other	906	738
Subscriptions	-	212
Directory	-	1,177
	\$ 45,625	\$ 31,947

Schedule B

Administration

Rent	\$ 33,959	\$ 36,034
Information technology	21,807	2,379
Postage and courier	20,121	10,298
Bank charges and interest	15,678	15,364
Telephone and facsimile	12,040	11,116
Insurance	7,372	4,809
Repairs and maintenance	6,617	623
Office supplies	4,623	6,233
Photocopying	3,702	3,322
Printing	-	206
	\$ 125,919	\$ 90,384

Schedule C

Member services

CTTIC fees	\$ 25,920	\$ 28,690
Examinations	19,799	18,165
Certification on dossier	7,381	3,930
InformATIO	3,158	3,370
Seals and certificates	2,440	4,045
Subscriptions	2,158	314
Preparatory and student courses	1,727	2,332
	\$ 62,583	\$ 60,846

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

ADDITIONAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2016

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	2016	2015
Schedule D		
Public relations		
Public relations activities	\$ 17,730	\$ 41,085
Web site	4,466	2,615
Representation	3,329	8,192
International Translation Day	1,179	470
Marketing campaign	-	491
	<hr/> \$ 26,704	<hr/> \$ 52,853

Schedule E

Corporate activities

Council expenses	\$ 17,408	\$ 13,323
Directors' and secretariat expenses	27,910	2,523
	<hr/> \$ 45,318	<hr/> \$ 15,846

Schedule F

Professional fees

Legal	\$ 41,116	\$ 304
Bookkeeping	19,275	7,030
Audit	5,925	6,074
	<hr/> \$ 66,316	<hr/> \$ 13,408

