

**ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**



**ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**SUMMARY**

	<b>Page</b>
Independent auditor's report	2 - 3
Statement of operations	4
Changes in net assets	5
Statement of financial position	6
Statement of cash flow	7
Notes to financial statements	8 - 12



Boyer & Boyer

Comptables professionnels agréés / Chartered Professional Accountants

Page 2

## 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, 2017, and the statements of operations, 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*

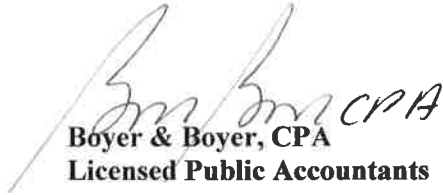
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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, 2017, 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 7, 2018

ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2017

Page 4

	2017	2016
<b>Revenues</b>		
Membership	331 900 \$	337 039 \$
Exam	106 220	38 067
Events and activities	13 780	3 069
Promotion and marketing	13 299	20 994
Application	12 039	11 088
Seals, stamps and other products	4 070	1 009
Other income	2 691	1 359
	<hr/>	<hr/>
	483 999	412 625
<b>Administrative expenses</b>		
Salaries and fringe benefits	240 513	216 810
Operations	134 909	133 916
Exam fees	66 212	28 907
Travel expenses	35 860	67 556
Business technology	30 907	44 930
Professional fees	22 560	68 337
Amortization	6 268	3 810
Advertising and promotion	4 690	3 158
Miscellaneous	624	-
	<hr/>	<hr/>
	542 543	567 424
<b>Deficiency of revenues over expenses</b>	<hr/>	<hr/>
	(58 544) \$	(154 799) \$

**ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO  
CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 5

	2017	2016
	Total	Total
	Unrestricted	Total
	Bursaries and awards program	Total
	Internally restricted	Total
<b>Balance, beginning of year</b>	92 791 \$	- \$
Deficiency of revenues over expenses	-	(58 544)
Interest earned	1 343	-
Donations	-	767
Interfunds transfer (note 11)	-	1 315
<b>Balance, end of year</b>	<b>94 134 \$</b>	<b>2 082 \$</b>
	<b>(66 316) \$</b>	<b>29 900 \$</b>
	<b>86 334 \$</b>	<b>86 334 \$</b>

**ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2017**

**Page 6**

	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Current assets		
Cash	44 710 \$	48 123 \$
Short-term investments (note 3)	19 928	92 791
Accounts receivable (note 4)	55 498	9 027
Prepaid expenses	40 714	29 372
	<u>160 850</u>	<u>179 313</u>
Fixed assets (note 5)	11 046	13 299
Intangible assets (note 6)	10 060	13 100
	<u>181 956 \$</u>	<u>205 712 \$</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable (note 7)	17 488 \$	43 866 \$
Deferred income (note 8)	134 568	75 512
	<u>152 056</u>	<u>119 378</u>
<b>Net assets</b>		
Internally restricted	94 134	92 791
Bursaries and awards program	2 082	-
Unrestricted	(66 316)	(6 457)
	<u>29 900</u>	<u>86 334</u>
	<u>181 956 \$</u>	<u>205 712 \$</u>

**Signed for the Board,**

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**ASSOCIATION OF TRANSLATORS AND INTERPRETERS OF ONTARIO**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Page 7

	2017	2016
<b>Operating activities</b>		
Deficiency of revenues over expenses	(56 434) \$	(153 650) \$
Non-cash item:		
Amortization of fixed assets	6 268	3 810
	(50 166)	(149 840)
Net change in non-cash working capital items:		
Accounts receivable	(46 471)	(9 027)
Prepaid expenses	(11 342)	3 619
Accounts payable	(26 378)	14 916
Due to a related party	-	(1 609)
Deferred income	59 056	73 772
	(75 301)	(68 169)
<b>Investing activities</b>		
Disposal of investments	29 742	(9 836)
Acquisition of tangible assets	(975)	(11 374)
	28 767	(21 210)
<b>Decrease in cash and cash equivalents</b>	(46 534)	(89 379)
<b>Cash and cash equivalents, beginning of year</b>	101 045	190 424
<b>Cash and cash equivalents, end of year</b>	54 511 \$	101 045 \$
<b>Cash and cash equivalents</b>		
Cash	44 710 \$	48 123 \$
Money market funds (note 3)	9 801	52 922
	54 511 \$	101 045 \$





**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

**b) Event, Member and other services, professional development, sponsorship, public relation**

These revenues are recognized in the year in which the services are provided.



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

**Revenues recognition (continued)**

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 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.

**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.

**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.



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

Financial liabilities measured at amortized cost on a straight-line basis include the accounts payable.

**3. Short-term investments**

	2017	2016
Term deposit	10 127 \$	39 869 \$
Money Market Fund	9 801	52 922
	19 928 \$	92 791 \$

From the total of the investments, an amount of \$2,083 has been allocated to the bursaries and awards program.

**4. Accounts receivable**

	2017	2016
Trade	51 758 \$	2 276 \$
Sales tax receivable	3 740	6 751
	55 498 \$	9 027 \$

**5. Fixed assets**

	2017		2016	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and equipment	6 004 \$	6 004 \$	-	-
Computer hardware	16 199	5 153	11 046	13 299
	22 203 \$	11 157 \$	11 046 \$	13 299 \$

**6. Intangible assets**

	<b>2017 Net book value</b>	<b>2016 Net book value</b>
Database management system	10 060 \$	13 100 \$

**7. Accounts payable**

	<b>2017</b>	<b>2016</b>
Accounts payable and accrued liabilities	11 831 \$	38 209 \$
Salaries payable	5 657	5 657
	<b>17 488 \$</b>	<b>43 866 \$</b>

**8. 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.

**9. 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.



**9. Financial instruments (continued)****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, expiring June 2018 which aggregates to 62 929 \$. The instalments over the next two years are the following:

2018	32 833 \$
2019	30 096 \$

**11. Interfunds transfer**

In 2017, the Board of Directors approved the creation of the bursaries and awards program as well as the transfer of \$1,315 from the unrestricted fund to the said program in order to allocate to this program the donations received in 2016 which were recorded as unrestricted revenues.

**12. Comparative figures**

Certain figures for 2016 have been reclassified to make their presentation identical to that adopted in 2017.