

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS

MARCH 31, 2020

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JEFFREY D. MILGRAM PROFESSIONAL CORPORATION

Chartered Professional Accountant/Licensed Public Accountant

5255 Yonge Street, Suite 700, Toronto, Ontario M2N 6P4
Telephone: 416-221-3298 ext.127 Fax: 416-221-7005 E-Mail: jmilgram@milgramandmilgram.com

INDEPENDENT AUDITOR'S REPORT

To the Members of the Association of
Canadian Association of Sign Language Interpreters:

Opinion

I have audited the financial statements of Canadian Association of Sign Language Interpreters which comprises the statement of financial position as at March 31, 2020, and the statements of financial activities, changes in net assets, and cash flows for the year then ending, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Association of Sign Language Interpreters as at March 31, 2020, 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.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance 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.

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 a 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jeffrey D. Milgram, CPA, CA, LPA.

Matter of Emphasis

As further detailed in Note 10 of these financial statements, the Organization has temporarily transitioned from face-to-face services to virtual services effective March 13, 2020 in response to the Coronavirus -19 pandemic.

A handwritten signature in black ink that reads "Jeffrey D. Milgram Professional Corporation". The signature is written in a cursive, flowing style.

JEFFREY D. MILGRAM PROFESSIONAL CORPORATION
Authorized to practise public accounting by
The Institute of Chartered Professional Accountants of Ontario

TORONTO, ONTARIO
AUGUST 11, 2020

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	2020			2019
	PCR Reserve Fund \$	Operating Fund \$	Total \$	Total \$
BALANCE, at beginning of year	-	512,395	512,395	457,289
Net revenues over expenses for the year	<u>-</u>	<u>73,958</u>	<u>73,958</u>	<u>55,106</u>
	-	586,353	586,353	512,395
Inter-fund transfer in the year	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
BALANCE, end of year	<u>25,000</u>	<u>561,353</u>	<u>586,353</u>	<u>512,395</u>

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

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
REVENUES		
Membership Services		
Administration and other	8,210	8,797
CES program	2,122	2,788
Conference	-	189,211
Memberships	255,623	251,248
Investment		
Investment income	15,130	17,647
Market adjustment on equity investments	(10,202)	(3,552)
Fundraising and other		
Fundraising	<u>2,188</u>	<u>9,419</u>
	<u>273,071</u>	<u>475,558</u>
EXPENDITURES		
Administration		
Awards	500	692
Bank charges	6,208	6,457
Board meetings	4,611	6,315
Board travel	13,015	40,672
Equipment	150	1,787
Fundraising	25	602
Insurance	2,930	2,537
Interpreting	1,575	21,453
Marketing	7,420	7,292
Office and administration	16,515	7,747
Professional fees	8,660	8,335
Staff and benefits	60,395	109,160
Staff training	77	900
Travel	<u>510</u>	<u>3,005</u>
	<u>122,591</u>	<u>216,954</u>
Programs and Projects		
Conference	1,195	169,912
CES program	1,767	8,354
CES project	-	4,077
PCRP program	-	990
PCRP project	6,833	-
Other projects	<u>66,727</u>	<u>20,165</u>
	<u>76,522</u>	<u>203,498</u>
	<u>199,113</u>	<u>420,452</u>
	<u>199,113</u>	<u>420,452</u>
EXCESS REVENUE OVER EXPENSES FOR THE YEAR	<u>73,958</u>	<u>55,106</u>

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

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
STATEMENT OF CHANGES IN CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u> \$	<u>2019</u> \$
FUNDS PROVIDED (USED) BY OPERATIONS		
Cash received from members, donors and other	161,565	403,282
Cash paid to suppliers and employees	<u>(160,757)</u>	<u>(404,796)</u>
	<u>808</u>	<u>(1,514)</u>
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Proceeds of sale of investments	442,070	420,640
Purchase of investments	(457,006)	(434,617)
Interest income	<u>15,130</u>	<u>14,095</u>
	<u>194</u>	<u>118</u>
CASH USED BY FINANCING ACTIVITIES		
Trust funds held for affiliate chapters	<u>(19,925)</u>	<u>(6,748)</u>
NET DECREASE IN CASH	(18,923)	(8,144)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>407,419</u>	<u>415,563</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>388,496</u>	<u>407,419</u>

Cash and Cash Equivalents:

Cash and cash equivalents consist of the following holdings at year end:

	<u>2020</u> \$	<u>2019</u> \$
Cash – current operating accounts - unsecured	156,555	177,449
Cash – current operating accounts - secured	30,327	30,117
Cash – deposits held in virtual bank accounts	<u>201,614</u>	<u>199,853</u>
	<u>388,496</u>	<u>407,419</u>

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

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. Operations and Accounting Framework

Name Change

Pursuant to Articles of Amendment approved on May 23, 2019, the Organization received permission to change its name from The Association of Visual Language Interpreters of Canada (AVLIC) to the Canadian Association of Sign Language Interpreters (CASLI). This change is effective for the 2019 fiscal year and will appear in future financial statements and correspondence.

Operations

CASLI is an incorporated non-profit, professional association for interpreters whose working languages include a sign language. The Organization, established in 1979, was formed to promote the professional development and use of ASL/English interpreters in Canada. CASLI is the only certifying body for ASL-English interpreters in Canada through the means of their Canadian Evaluation System. Among a variety of services, CASLI offers a Professional Conduct Review Process to maintain quality and accountability to the field of interpreting.

Affiliates

The Organization has several financially autonomous Affiliate Chapters across the country. In addition to funds collected and held in trust by CASLI on behalf of these chapters, the affiliated chapters may raise and disburse funds for their own activities, and in accordance with the policy of the Organization, these activities are not reflected in these financial statements. Funds collected and held in trust are show as a liability of the Organization.

Accounting Framework

The Organization prepares its financial statements in accordance with the Chartered Professional Accountants of Canada (CPA, Canada) (formerly the Institute of Chartered Accountants (CICA)) Handbook, Part III, Canadian accounting standards for not-for-profit organizations (ASNPO).

2. Significant Accounting Policies

The accounting policies of the organization are in accordance with Canadian accounting standards for not-for-profit organizations applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. Significant Accounting Policies - Continued

Basis of Accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Income Tax Status

CASLI is a not-for-profit organization for income tax purposes and therefore qualifies for tax-exempt status under paragraph 149(1)(f) of the Income Tax Act (Canada).

Cash and Cash Equivalents

Cash and equivalents include, current bank deposits, funds held in virtual on-line banking facilities and investment deposits with a maturity of 90 days or less from the date of the year end.

Investments

Short term investments include investments with a maturity date of more than 90 days from the year end date but less than one year to maturity. Long term investments include those investments with a maturity date in excess of one year from the year end date.

Income Recognition

The Association 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.

Revenues generated from memberships, programs and conference are recognized as revenue as received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest is recognized as earned. Capital gains and losses are recognized on the settlement date of the transaction, or, for unrealized gains and losses, periodically at year end by an adjustment to fair value which is included in the determination of net income.

Government assistance received towards continuing operations is included in the determination of revenue for the year.

Income from fundraising is recognized as received.

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. Significant Accounting Policies - Continued

Capital Assets

Capital assets are expensed and are written off to operations in the year of acquisition.

Contributed Services

The work of the Association is partially dependent on the voluntary service of its members. Since these services are not normally purchased by the Association, and because of the difficulty of determining their fair value, the value of donated volunteer services is not recognized in these statements.

Estimates

The preparation of these financial statements, in conformity with Canadian generally accepted accounting principles, 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Any variations between these estimates and actual amounts are not expected to materially affect the reported amounts, unless otherwise disclosed. During the year, management exercised its judgment in the estimation of the fair market valuation of investments held at year end, prepaid costs, and certain liability accruals.

Financial Assets and Financial Liabilities

(i) Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are based on public stock exchange transactions in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, trade and sundry amounts receivable, and fixed income investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. Significant Accounting Policies - Continued

Financial Assets and Financial Liabilities - Continued

(ii) Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, bankruptcy or other financial indicators indicating distress relating to the item valued.

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the highest of the following:

- a) the present value of the cash flows expected to be generated by holding the asset discounted using a current market rate of interest appropriate to the asset;
- b) the amount that could be realized by selling the asset at the statement of financial position date; and
- c) the amount the Organization expects to realize by exercising its rights to any collection action less the costs necessary to exercise those actions.

When the Organization determines an adjustment to the carrying value is required, the carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statements of operations. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in the statements of operations in the period the reversal occurs.

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

3. Investments

Investments consist of Canadian money market mutual funds, Canadian and foreign fixed income instruments and foreign equity mutual funds which are recorded at fair value based on quoted market prices.

	<u>2020</u>	<u>2019</u>
	\$	\$
Investments at historical cost	457,006	442,069
Adjustment to fair market valuation, March 31, 2020	<u>(17,655)</u>	<u>(7,452)</u>
	<u>439,351</u>	<u>434,617</u>

4. Amounts Owing to Affiliate Chapters

The Association acts as an intermediary between its members and affiliate chapters. The Association collects payments from members and subsequently pays the funds to the appropriate affiliate chapter. Amounts owing to affiliate chapters are unsecured, non-interest bearings and are due on demand.

5. Deferred Contributions

	<u>2020</u>	<u>2019</u>
	\$	\$
Conference registration fees	-	5,430
Membership services	<u>153,462</u>	<u>239,610</u>
	<u>153,462</u>	<u>245,040</u>

6. P. Joynt Fund

The P. Joynt Fund represents restricted contributions to be used to fund awards in future years. The award is made and paid in conjunction with the Organizations conference which is held every other year.

	<u>2020</u>	<u>2019</u>
	\$	\$
P. Joynt Fund, opening	2,650	2,900
Less: Award(s) paid in the year	<u>-</u>	<u>(250)</u>
	<u>2,650</u>	<u>2,650</u>

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. Professional Conduct Review Process (PCRP) Reserve

The PCRP reserve has been established by the Board of Directors to set aside additional funds that may be required to fund and operate the program in those years in which the budget is exceeded.

8. Related Party Transactions and Balances

Affiliates

The Organization's affiliate chapters are independent and are incorporated under their own charter; accordingly, CASLI only holds funds in trust for the chapters and does not report on the financial operations or position of the affiliated chapters.

All outstanding balances were settled, in full, following the fiscal year end.

Occupancy Costs

The organization has use of its operating premises, provided by Board member(s) and management, at no cost to the Organization. Accordingly, no rent expense has been recorded in the accounts for the current or prior fiscal periods.

9. Risk

General

The Organization holds financial assets in the form of cash and investments. It is management's opinion that the fair value of these financial instruments approximates their stated values, plus accrued interest where applicable, due to the short term to maturity for the items held at year end. The Organization also holds financial liabilities in the form of accounts payable and accrued liabilities, and deferred revenue. As with the financial assets, fair value and stated value approximate each other at year end due to the short term to maturity of the liabilities held at March 31, 2020.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with its financial liabilities. The Organization expects to meet these obligations as they come due by generating sufficient cash flows from operations which includes, but is not limited to, conferences, membership dues, interest income and fundraising.

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

9. Risk - Continued

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair value of financial instruments.

Interest rate risk arises when the Organization invests in interest-bearing financial instruments or has funds held in interest bearing accounts during the year. The organization is exposed to the risk that the value of such financial instruments will fluctuate due to the prevailing levels of market interest rates.

As at March 31, 2020, the Organization held funds in several mutual funds investments and accordingly is subject to the risk associated with interest rate changes or changes in the rate of return on the investments held.

While the risk of future cash flows from holding funds in these mutual funds will accordingly increase or decrease with the changes to the market rate of interest and rate of return on similar holdings, the funds are in a near liquid equivalent state and are available on demand, allowing management the option of redirecting and reinvesting in other instruments that yield a more favourable rates of return, thereby minimizing the exposure to interest rate risk on the investment held.

Credit Risk

Credit risk is the risk that a counterpart to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Organization.

The organization currently holds trust funds which represent a form of credit risk; however, as these amounts are fully funded and are paid out on a regular basis to the affiliate chapters, management considers that the risk of any default is minimal and therefore, do not represent a significant credit risk to the Organization.

Other Risks

It is management's opinion that the Organization is not exposed to significant currency or market risks arising from the financial instruments held.

CANADIAN ASSOCIATION OF SIGN LANGUAGE INTERPRETERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

10. Subsequent event – Coronavirus -19 pandemic

The introduction of the Coronavirus (Covid-19) into Canada in January 2020, ultimately resulted in the closure of most businesses operating on March 13, 2020. Most Municipal and Provincial governments mandated new legislation prohibiting the operation of all businesses other than essential services; accordingly, all in-person educational, seminar and conference services and social events held by the Organization were forced to cease on March 13, 2020, including the conference event slated for the 2020-21 fiscal year. As the Organization has sufficient resources, management does not anticipate any going concern issues as a result of the forced reduction of membership services and events, as the Organization has sufficient resources to maintain active operations. For 2020-21, it is anticipated that many of the member services, workshops and seminars will move to online services.