THE ASSOCIATION OF VISUAL LANGUAGE INTERPRETERS OF CANADA

FINANCIAL STATEMENTS

MARCH 31, 2017

June 3, 2017

INDEPENDENT AUDITORS' REPORT

To the Directors of The Association of Visual Language Interpreters of Canada:

We have audited the accompanying financial statements of The Association of Visual Language Interpreters of Canada, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, net assets and cash flows for the years 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.

Auditors' 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 qualified audit opinion.

Basis for Qualified Opinion on the Results of Operations and Cash Flows
In common with many not-for-profit organizations, The Association of Visual Language Interpreters of Canada derives revenue from memberships, 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 Association of Visual Language Interpreters of Canada. Therefore, we were not able to determine whether any adjustments to the results of operations and cash flows might be necessary for 2016. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effects of this matter on the comparability of the current period's figures and the comparative information.

Qualified Opinion on the Results of Operations and Cash Flows
In our opinion, except for the possible effects on the comparative information of the matter described in the Basis for Qualified Opinion on the Results of Operations and Cash Flows paragraph, the statements of operations, net assets, and cash flows present fairly, in all material respects, the results of operations and cash flows of The Association of Visual Language Interpreters of Canada for the year ended March 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

Opinion on the Financial Position
In our opinion, the statement of financial position presents fairly, in all material respects, the financial position of The Association of Visual Language Interpreters of Canada as at March 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

DRAFT

Chartered Professional Accountants
Winnipeg, Canada

For this communication, together with the work done to prepare this communication and for the opinions we have formed, if any, we accept and assume responsibility only to the addressee of this communication, as specified in our letter of engagement.

THE ASSOCIATION OF VISUAL LANGUAGE INTERPRETERS OF CANADA

STATEMENT OF FINANCIAL POSITION

	March 31	
	2017	**2016**
ASSETS		
Current assets:		
Cash	$ 280,324	$ 119,395
Prepaid expenses	1,242	-
Investments (Note 3)	405,740	392,905
	$ 687,306	$ 512,300
LIABILITIES		
Current liabilities:		
Accrued liabilities	$ 2,559	$ 1,227
Amounts owing to affiliate chapters (Note 4)	62,978	-
Deferred revenue	209,865	-
	275,402	1,227
P. Joynt Fund (Note 5)	2,900	3,150
	278,302	4,377
NET ASSETS		
Unrestricted	409,004	507,923
	$ 687,306	$ 512,300

APPROVED BY THE BOARD:

_____ **Director**

THE ASSOCIATION OF VISUAL LANGUAGE INTERPRETERS OF CANADA

STATEMENT OF OPERATIONS

	Year ended March 31	
	2017	**2016**
Revenue:		
Memberships	$ 39,997	$ 166,458
CES progam	8,494	-
Conference	20,088	2,352
Administration and other	6,807	120
Investment income	8,824	15,867
Market adjustment on equity investments	4,011	(24,039)
	88,221	160,758
Expenses:		
Awards	838	100
Bank charges	8,483	-
Board meeting	7,561	9,432
Board Travel	26,369	-
CES program	21,047	49,649
Conference	-	8,015
Interpreting	4,121	15,179
Office and administration	12,307	25,066
PCRP Implementation	15,242	-
Professional fees	3,143	7,612
Request for proposal	-	9,870
Staff and benefits	85,910	55,173
Travel	2,119	19,974
	187,140	200,070
Difference between revenue and expenses	$ (98,919)	$ (39,312)

THE ASSOCIATION OF VISUAL LANGUAGE INTERPRETERS OF CANADA

STATEMENT OF NET ASSETS

	Year ended March 31	
	2017	**2016**
Balance, beginning of year	$ 507,923	$ 547,235
Difference between revenue and expenses	(98,919)	(39,312)
Balance, end of year	$ 409,004	$ 507,923

THE ASSOCIATION OF VISUAL LANGUAGE INTERPRETERS OF CANADA

STATEMENTS OF CASH FLOWS

	Year ended October 31	
	2017	**2016**
Cash flow from operating activities:		
Cash received from members, donors and other	$ 285,251	$ 168,930
Cash paid to suppliers and employees	(124,322)	(198,743)
	160,929	(29,813)
Cash flow from investment activities:		
Proceeds of sale of investments	131,409	209,822
Purchase of investments	(132,476)	(209,822)
Interest income	1,067	-
	-	-
Change in cash	160,929	(29,813)
Cash, beginning of year	119,395	149,208
Cash, end of year	$ 280,324	$ 119,395

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1. **General:**

The Association of Visual Language Interpreters of Canada is an unincorporated non-profit organization formed to promote the professional development and use of ASL/English interpreters in Canada and is exempt from tax as a non-profit organization.

2. **Significant accounting principles:**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. An assumption underlying the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

a) Critical accounting estimates and judgements-

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of capital assets and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

b) Financial instruments-

Except for certain related party transactions, financial instruments are measured at fair value on initial recognition adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs related to financial instruments that will be measured subsequently at fair value are recognized in net income for the period incurred.

In subsequent periods, investments in equity instruments that are quoted in an active market and certain derivative contracts are measured at fair value without any adjustment for transaction costs that may incur on sale or other disposal. The Association may elect to measure any financial instrument at fair value when the asset or liability is first recognized or for equity instruments that previously measured at fair value when the equity instrument ceases to be quoted in an active market. Other investments in equity instruments are measured at cost less any reduction for impairments. All other financial instruments are measured at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative effect of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

2. Significant accounting principles (continued)**:**

b) Financial instruments (continued)-

The Association measures cash, accrued liabilities, and amounts owing to affiliate at amortized cost and measures investments at fair value.

The Association assesses impairment of all its financial assets, except those measured at fair value. Management considers whether there has been a breach in contract, such as a default or delinquency in interest of principal payments in determining whether objective evidence of impairment exists. Impairment is included in current earnings.

c) Revenue 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. Interest is recognized on a time proportion basis.

d) Equipment-

Equipment purchased is expensed on acquisition. During the current and prior year no equipment was purchased.

3. Investments:

Investments consist of Canadian short term notes and equivalents, Canadian money market mutual funds, Canadian fixed income instruments and Foreign equity mutual funds and are recorded at fair value based on quoted market prices.

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. P. Joynt Fund:

The P. Joynt Fund represents restricted contributions to be used to fund awards in future years.

	Mar-31	
	2017	**2016**
P. Joynt Fund, opening	$ 3,150	$ 3,250
Contributions received	-	-
Amortization	(250)	(100)
P. Joynt Fund, ending	$ 2,900	$ 3,150

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

6. Risk management:

Management's risk management policies are typically performed as a part of the overall management of the Association's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its operations, the Association is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Association has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Association, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them are as follows:

Interest Rate Risk-

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as interest rate cash flow risk, or on the fair value of other financial assets or liabilities, known as interest rate price risk. Fixed income investments with fixed interest rates minimize cash flow risk.

Credit risk-

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Association has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Association also may review credit history before establishing credit and reviews credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information.

Other price risk-

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associates with financial instruments. The cash flows associated with the Association's investments are affected by investment performance.