

**ONTARIO RISK AND INSURANCE  
MANAGEMENT SOCIETY**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

### **Report on Financial Statements**

We have audited the accompanying financial statements of Ontario Risk and Insurance Management Society, which comprise the statement of financial position as at March 31, 2014 and the statements of revenues, expenses and net assets and cash flows 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 Ontario Risk and Insurance Management Society as at March 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Corporations Act (Ontario), we report that the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*Clarke Henning LLP*

Toronto, Ontario  
June 23, 2014

CHARTERED ACCOUNTANTS  
Licensed Public Accountants

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

	2014	2013
<b>ASSETS</b>		
Current assets		
Cash	\$ 39,727	\$ 24,525
Short term deposit	-	30,420
Accounts receivable ( <i>note 2</i> )	16,009	51,107
HST receivable	19,178	6,856
Prepaid expenses	10,250	12,837
	<b>85,164</b>	125,745
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	8,860	12,031
Deferred revenue	370	-
Deferred grant ( <i>note 3</i> )	3,988	3,988
	<b>13,218</b>	16,019
<b>NET ASSETS</b>	<b>71,946</b>	109,726
	<b>\$ 85,164</b>	<b>\$ 125,745</b>

Approved on behalf of the Board:

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

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## STATEMENT OF REVENUES, EXPENSES AND NET ASSETS

YEAR ENDED MARCH 31, 2014

	2014	2013
Revenues		
Membership dues	\$ 38,050	\$ 42,078
Annual general meeting	13,935	12,649
Christmas luncheon	85,719	93,477
Curling bonspiel	21,796	19,253
Golf tournament	51,596	52,211
Programs	5,159	8,434
Professional development	-	22,191
PULSE advertising	2,309	3,875
Other revenue	90	-
Interest income	386	420
	<b>219,040</b>	<b>254,588</b>
Expenses		
Annual general meeting	20,158	12,535
Christmas luncheon	84,700	77,922
Curling bonspiel	13,418	13,039
Golf tournament	41,274	46,911
Programs	25,240	23,538
Professional development	14,545	38,949
PULSE - member communications	4,648	5,649
Donations	24,500	15,135
General and administrative	16,899	21,002
Board meetings	4,188	3,280
Professional fees	6,057	5,861
Bad debt expense	1,193	4,773
	<b>256,820</b>	<b>268,594</b>
Deficiency of revenues over expenses for the year	<b>(37,780)</b>	<b>(14,006)</b>
Net assets - at beginning of year	<b>109,726</b>	<b>123,732</b>
Net assets - at end of year	<b>\$ 71,946</b>	<b>\$ 109,726</b>

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2014

	<b>2014</b>	2013
Cash flows from operating activities		
Cash receipts from members and activities	\$ 254,122	\$ 225,153
Cash paid to suppliers	(269,726)	(267,419)
Interest received	386	420
Change in cash during the year	<b>(15,218)</b>	(41,846)
Cash - at beginning of year	<b>54,945</b>	96,791
Cash - at end of year	<b>39,727</b>	54,945
Cash is comprised of:		
Cash	<b>39,727</b>	24,525
Short term deposit	-	30,420
	<b>\$ 39,727</b>	\$ 54,945

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2014

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The Ontario Risk and Insurance Management Society ("ORIMS" or the "Society") is a not-for-profit organization incorporated without share capital under the laws of the Province of Ontario and, as such, is generally exempt from income taxes. Its purpose is to promote and advance excellence in risk and insurance management.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### *Financial Assets and Liabilities*

ORIMS initially measures its financial assets and liabilities at fair value. ORIMS subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities.

#### *Basis of Presentation*

These financial statements include only the assets, liabilities, revenues and expenses of the Ontario Chapter. They do not include the accounts of the National Association nor any of the other chapters across Canada.

#### *Revenue Recognition*

Annual membership dues are for the period from April to March and are recognized as revenue in the period to which they apply. Dues received in advance are recorded as deferred revenue.

Annual general meeting, Christmas luncheon, curling bonspiel, golf tournament, programs and professional development fees are recognized as revenue when the event takes place.

PULSE advertising, other revenue, and interest are recognized as revenue when the service is performed or earned. Fees for these programs received in advance are recorded as deferred revenue.

Grants are recognized as revenue in the period in which the related expenses are incurred.

#### *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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

### 2. ACCOUNTS RECEIVABLE

As at March 31, 2014 the carrying amount of impaired receivables totalled \$1,200 (\$4,773 - 2013). These receivables are presented net of an allowance for doubtful accounts of \$1,200 (\$4,773 - 2013).

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2014

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### 3. SPENCER FOUNDATION GRANT

The Spencer Foundation Grant was received prior to the 2003 fiscal year to assist students enrolled in Risk and Insurance Management courses in Ontario. The balance of this grant is \$3,988 at March 31, 2014 (\$3,988 - 2013).

### 4. GUARANTEES AND INDEMNITIES

The Society has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Society has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Society has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, lease agreements or sales and purchase contracts. In these agreements, the Society agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Society. The maximum amount of any potential liability cannot be reasonably estimated.

### 5. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure at the statement of financial position date.

#### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risks relate to accounts receivable. The Society mitigates credit risk by performing credit checks and imposing credit limits. Management has included adequate provision for doubtful accounts receivable in these financial statements.

#### *Liquidity Risk*

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and commitments. The Society expects to meet these obligations as they come due by generating sufficient cash flow from operations.

#### *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is not exposed to significant currency, interest rate or other price risks.