

**ONTARIO RISK AND INSURANCE  
MANAGEMENT SOCIETY  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2012**

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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, 2012, 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 generally accepted accounting principles, 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, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### Report on Other Legal and Regulatory Requirements

In accordance with the Corporations Act (Ontario), we report that the Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

*Clarke Henning LLP*

Toronto, Ontario  
May 15, 2012

CHARTERED ACCOUNTANTS  
Licensed Public Accountants


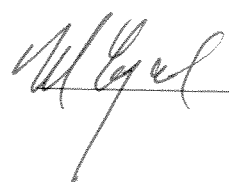
# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2012

	2012	2011
<b>ASSETS</b>		
Current assets		
Cash	\$ 66,791	\$ 14,381
Short term deposit	30,000	100,096
Accounts receivable	26,865	13,097
HST receivable	-	1,627
Prepaid expenses	13,328	14,737
	<b>136,984</b>	<b>143,938</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	4,106	5,402
HST payable	1,782	-
Deferred revenue	3,376	-
Deferred grant ( <i>note 3</i> )	3,988	3,988
	<b>13,252</b>	<b>9,390</b>
<b>NET ASSETS</b>	<b>123,732</b>	<b>134,548</b>
	<b>\$ 136,984</b>	<b>\$ 143,938</b>

Approved on behalf of the Board:

 R. Payne, Director       M. Egel, Director

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## STATEMENT OF REVENUES, EXPENSES AND NET ASSETS

YEAR ENDED MARCH 31, 2012

	2012	2011
Revenues		
Membership dues	\$ 43,092	\$ 43,930
Annual general meeting	14,969	-
50th Gala	-	48,620
Christmas luncheon	75,438	59,440
Curling bonspiel	21,368	5,078
Golf tournament	45,994	57,015
Programs	6,133	4,225
Professional development	-	13,097
PULSE advertising	3,150	3,600
Other revenue	-	792
Interest income	594	1,283
	<b>210,738</b>	<b>237,080</b>
Expenses		
Annual general meeting	24,827	-
50th Gala	-	88,642
Christmas luncheon	70,548	50,870
Curling bonspiel	13,728	5,950
Golf tournament	52,497	43,130
Programs	12,098	9,096
Professional development	-	30,178
PULSE - member communications	5,732	7,475
Donations	18,315	14,830
General and administrative	15,409	20,610
Board meetings	3,900	4,519
Professional fees	4,500	3,875
	<b>221,554</b>	<b>279,175</b>
Deficiency of revenues over expenses for the year	<b>(10,816)</b>	<b>(42,095)</b>
Net assets - at beginning of year	<b>134,548</b>	<b>176,643</b>
Net assets - at end of year	<b>\$ 123,732</b>	<b>\$ 134,548</b>

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2012

	2012	2011
Cash flows from operating activities		
Cash receipts from members and activities	\$ 196,376	\$ 226,317
Cash paid to suppliers	(214,656)	(281,596)
Interest received	594	1,283
Change in cash during the year	(17,686)	(53,996)
Cash - at beginning of year	114,477	168,473
Cash - at end of year	96,791	114,477
Cash is comprised of:		
Cash	66,791	14,381
Short term deposit	30,000	100,096
	\$ 96,791	\$ 114,477

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

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### 1. ORGANIZATION AND PURPOSE

The Ontario Risk and Insurance Management Society ("ORIMS") 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.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### *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.

#### *Financial Instruments*

Financial assets and liabilities include cash, short term deposit, accounts receivable and accounts payable and accrued liabilities. Cash and short term deposit are classified as held for trading and are measured at fair value. Accounts receivable are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost.

#### *Use of Estimates*

The preparation of 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, 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 those estimates, the impact of which will be recorded in future periods.

### 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, 2012 (\$3,988 in 2011).

# ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

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### 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

The Society's financial instruments consist of cash, short term deposit, accounts receivable, and accounts payable and accrued liabilities. It is management's opinion that the Society is not exposed to significant interest, currency or liquidity risks arising from these financial instruments. Management estimates that the fair values of these financial instruments approximate their carrying values.

The Society is exposed to credit risk on the accounts receivable. The Society does not have significant exposure to any individual customer. In order to reduce its credit risk, the Society has adopted credit policies which include the analysis of the position of its members and regular review of their credit standings. The financial statements include an adequate provision for doubtful accounts receivable.

### 6. CAPITAL MANAGEMENT

The Society considers its capital to be net assets. The Society's objective when managing capital is to ensure that it has sufficient resources to provide its programs on behalf of its members. The Society manages and adjusts its capital in response to general economic conditions, the risk characteristics of the underlying assets, working capital requirements and budgets its operations on a break-even basis so as to preserve its capital base.

### 7. RECENT CANADIAN ACCOUNTING PRONOUNCEMENTS

The Accounting Standards Board of the Canadian Institute of Chartered Accountants (CICA) has approved the incorporation of the standards set out in Part III of the CICA Handbook (Handbook) as the accounting standards applicable to not-for-profit organizations. First-time adoption of this Part of the Handbook is mandatory for annual financial statements relating to fiscal years beginning on or after January 1, 2012. A not-for-profit organization that prepares its financial statements in accordance with this Part of the Handbook states that they have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. A not-for-profit organization applying this Part of the Handbook also applies the standards for private enterprises in Part II of the Handbook to the extent that the Part II standards address topics not addressed in this Part.

Management is in the process of assessing the impact of these standards on its financial statements.

