

**ONTARIO RISK AND INSURANCE
MANAGEMENT SOCIETY**

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

Independent Auditor's Report	Page 1
Statements of Financial Position	2
Statements of Revenues, Expenses and Net Assets	3
Statements of Cash Flows	4
Notes to the Financial Statements	5 to 7



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 statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of revenues, expenses and net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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, 2013, March 31, 2012 and April 1, 2011 and its financial performance and its cash flows for the years ended March 31, 2013 and March 31, 2012 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
May 15, 2013

CHARTERED ACCOUNTANTS
Licensed Public Accountants

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2013, MARCH 31, 2012 AND APRIL 1, 2011

	March 31, 2013	March 31, 2012	April 1, 2011
ASSETS			
Current assets			
Cash	\$ 24,525	\$ 66,791	\$ 14,381
Short term deposit	30,420	30,000	100,096
Accounts receivable (note 3)	51,107	26,865	13,097
HST receivable	6,856	-	1,627
Prepaid expenses	12,837	13,328	14,737
	125,745	136,984	143,938
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12,031	4,106	5,402
HST payable	-	1,782	-
Deferred revenue	-	3,376	-
Deferred grant (note 4)	3,988	3,988	3,988
	16,019	13,252	9,390
NET ASSETS	109,726	123,732	134,548
	\$ 125,745	\$ 136,984	\$ 143,938

Approved on behalf of the Board:

_____, Director _____, Director

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

STATEMENTS OF REVENUES, EXPENSES AND NET ASSETS

YEARS ENDED MARCH 31, 2013 AND 2012

	2013	2012
Revenues		
Membership dues	\$ 42,078	\$ 43,092
Annual general meeting	12,649	14,969
Christmas luncheon	93,477	75,438
Curling bonspiel	19,253	21,368
Golf tournament	52,211	45,994
Programs	8,434	6,133
Professional development	22,191	-
PULSE advertising	3,875	3,150
Interest income	420	594
	254,588	210,738
Expenses		
Annual general meeting	12,535	24,827
Christmas luncheon	77,922	70,548
Curling bonspiel	13,039	13,728
Golf tournament	46,911	52,497
Programs	23,538	12,098
Professional development	38,949	-
PULSE - member communications	5,649	5,732
Donations	15,135	18,315
General and administrative	21,002	15,409
Board meetings	3,280	3,900
Professional fees	5,861	4,500
Bad debt expense	4,773	-
	268,594	221,554
Deficiency of revenues over expenses for the year	(14,006)	(10,816)
Net assets - at beginning of year	123,732	134,548
Net assets - at end of year	\$ 109,726	\$ 123,732

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2013 AND 2012

	2013	2012
Cash flows from operating activities		
Cash receipts from members and activities	\$ 225,153	\$ 196,376
Cash paid to suppliers	(267,419)	(214,656)
Interest received	420	594
Change in cash during the year	(41,846)	(17,686)
Cash - at beginning of year	96,791	114,477
Cash - at end of year	54,945	96,791
Cash is comprised of:		
Cash	24,525	66,791
Short term deposit	30,420	30,000
	\$ 54,945	\$ 96,791

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations. These standards are in accordance with Canadian generally accepted accounting principles and include the following 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, term deposits, 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.

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

2. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective April 1, 2012, ORIMS adopted the requirements of the Canadian Institute of Chartered Accountant's Handbook and has adopted Canadian Accounting Standards for Not-for-Profit Organizations. This accounting framework is in accordance with Canadian generally accepted accounting principles (GAAP). These are the first financial statements prepared in accordance with this framework which has been applied retrospectively. The accounting policies set out in the summary of significant accounting policies have been applied in preparing the financial statements as at March 31, 2013 and for the year then ended and the comparative information presented in these financial statements as at March 31, 2012 and for the year then ended and in the preparation of an opening statement of financial position at April 1, 2011.

ORIMS previously issued financial statements for the year ended March 31, 2012 using pre-changeover accounting standards which are the standards applied by ORIMS prior to its adoption of Canadian Accounting Standards for Not-for-Profit Organizations ("NPO Standards"). The adoption of NPO Standards had no impact on the previously reported assets, liabilities and net assets of ORIMS, and accordingly, no adjustments were required in the comparative statements of financial position, statements of operations, changes in net assets and cash flows. Certain of the comparative presentation and disclosures included in the notes to these financial statements reflect the new presentation and disclosure requirements of NPO Standards.

3. ACCOUNTS RECEIVABLE

As at March 31, 2013 the carrying amount of impaired receivables totalled \$4,773 (\$NIL at March 31, 2012 and \$NIL at April 1, 2011). These receivables are presented net of an allowance for doubtful accounts of \$4,773 (\$NIL at March 31, 2012 and \$NIL at April 1, 2011).

4. 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, 2013 (\$3,988 in March 31, 2012 and \$3,988 at April 1, 2011).

5. 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.

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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. 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.