

**ONTARIO RISK AND INSURANCE MANAGEMENT
SOCIETY**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

HILBORN_{LLP}

Independent Auditor's Report

To the Members of Ontario Risk and Insurance Management Society

Opinion

We have audited the financial statements of Ontario Risk and Insurance Management Society (the "Society"), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues, expenses and net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, 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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 ability of the Society to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Society.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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 the financial statements.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 internal control of the Society.
- 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 ability of the Society to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.



Toronto, Ontario
May 16, 2024

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

Statement of Financial Position

December 31	2022 \$	2021 \$
ASSETS		
Current assets		
Cash	273,922	120,860
Short-term investments	174,550	171,966
Accounts receivable	46,529	43,207
HST receivable	-	3,007
Prepaid expenses	2,325	18,325
	497,326	357,365
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	175,129	41,778
HST payable	5,715	-
Deferred revenue	55,000	46,928
Deferred grant (note 3)	3,988	3,988
	239,832	92,694
NET ASSETS	257,494	264,671
	497,326	357,365

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

Statement of Revenues, Expenses and Net Assets

Year ended December 31	2022 \$	2021 \$
Revenue		
Christmas luncheon	111,732	11,461
Sponsorships	101,500	33,458
Golf tournament	53,382	-
Membership dues	33,910	17,776
Professional development	6,346	-
Interest income	2,583	891
Annual general meeting	-	1,745
	309,453	65,331
Expenses		
Christmas luncheon	153,653	-
Golf tournament	56,058	-
Administration	34,230	16,905
Professional development and webinars	25,708	10,825
Professional fees	17,477	10,500
Board meetings	15,804	1,015
Donations and sponsorship	11,633	18,000
Annual general meeting	1,270	9,873
Curling bonspiel	797	-
	316,630	67,118
Excess (deficiency) of revenues over expenses for the year	(7,177)	(1,787)
Net assets, beginning of year	264,671	266,458
Net assets, end of year	257,494	264,671

The accompanying notes are an integral part of these financial statements

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

Statement of Cash Flows

Year ended December 31	2022 \$	2021 \$
Cash flows from operating activities		
Cash received from members and activities	311,620	49,481
Cash paid to suppliers	(158,557)	(57,085)
Interest received	2,583	891
	<u>155,646</u>	<u>(6,713)</u>
Cash flows from investing activities		
Redemption of short term deposits	171,966	171,376
Purchase of short term deposits	(174,550)	(171,966)
	<u>(2,584)</u>	<u>(590)</u>
Net change in cash	153,062	(7,303)
Cash, beginning of year	120,860	128,163
Cash, end of year	<u>273,922</u>	<u>120,860</u>

The accompanying notes are an integral part of these financial statements

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

Notes to Financial Statements

December 31, 2022

Nature of operations

The Ontario Risk and Insurance Management Society (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. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below.

(a) 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.

(b) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and 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 Society subsequently measures all its financial assets and financial liabilities at amortized cost.

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

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment. The amount of the reversal is recognized in income in the period that the reversal occurs.

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

Notes to Financial Statements (continued)

December 31, 2022

1. Significant accounting policies (continued)

(c) Revenue recognition

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

Sponsorships are recognized as revenue in the period to which they apply. Sponsorships received in advance are recorded as deferred revenue.

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

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

Interest income is recognized as revenue when received and earned.

(d) Foreign currency translation

Monetary assets and liabilities of the Society which are denominated in foreign currencies are translated to Canadian dollars at year-end exchange rates. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in net income.

(e) 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. Financial instrument risk management

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Society's financial instruments.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Society's main credit risks relate to accounts receivable. The Society mitigates credit risk by monitoring the accounts on a regular basis. Management has included adequate provision for doubtful accounts receivable in these financial statements.

ONTARIO RISK AND INSURANCE MANAGEMENT SOCIETY

Notes to Financial Statements (continued)

December 31, 2022

2. Financial instrument risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Society expects to meet these obligations as they come due by generating sufficient cash flow from operations and using cash reserves, if required.

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 interest risk or other price risks.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society receives a portion of its membership revenue in US dollars. Consequently, some accounts receivable are exposed to foreign currency fluctuations.

Accounts receivable denominated in U.S. dollars at December 31, 2022 amounted to \$5,050 (\$3,750 U.S.) (2021 - \$3,900 (\$3,070 in USD)).

Foreign exchange gains and losses are included in net income (loss).

Changes in risk

There have been no changes in the Society's risk exposure from that of the prior year.

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 December 31, 2022 (\$3,988 - 2021).

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.

HILBORN

LISTENERS. THINKERS. DOERS.