

Financial Statements of

**FINANCIAL MANAGEMENT
INSTITUTE OF CANADA**

Year ended June 30, 2022

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The financial statements are the responsibility of management and have been approved by the Board of Directors.

To assess certain facts and operations, management has made estimates based on its best judgment of the situation and by taking into account materiality.

Management is responsible for maintaining appropriate internal control and accounting systems that provide reasonable assurance that the policies of The Financial Management Institute of Canada are adhered to, that its operations are carried out in accordance with the appropriate laws and authorizations, that its assets are adequately safeguarded, and that the financial statements are based on reliable accounting records.

The power and responsibilities of The Financial Management Institute of Canada are exercised by the Board of Directors.

The responsibilities of the Board of Directors include overseeing financial reporting and presentation procedures, which includes reviewing and approving the financial statements.

The independent auditor, KPMG LLP, has audited the financial statements and presented the following report.

Marty Muldoon
Chief Executive Officer

Sherry Sharpe
Treasurer

October 17, 2022



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INDEPENDENT AUDITORS' REPORT

To the Members of The Financial Management Institute of Canada

Opinion

We have audited the financial statements of The Financial Management Institute of Canada (the Entity), which comprise:

- the statement of financial position as at June 30, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at June 30, 2022, and its results of operations, its changes in net assets 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 “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Entity 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 Entity's ability 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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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.

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.



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- 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 Entity's internal control.
- 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 Entity 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

October 17, 2022

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Statement of Financial Position

June 30, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 2,036,136	\$ 1,478,343
Amounts receivable (note 4)	89,517	76,774
Prepaid expenses	141,039	195,814
	<u>2,266,692</u>	<u>1,750,931</u>
Tangible capital assets (note 5)	3,788	1,789
Intangible assets (note 6)	34,274	86,178
	<u>\$ 2,304,754</u>	<u>\$ 1,838,898</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 187,173	\$ 104,330
Deferred revenue	113,749	234,616
	<u>300,922</u>	<u>338,946</u>
Net assets:		
Chapter Development Fund (note 7)	—	42,000
Reserve Fund (note 7)	250,000	250,000
Unrestricted	1,753,832	1,207,952
	<u>2,003,832</u>	<u>1,499,952</u>
Commitments (note 8)		
Guarantees (note 9)		
Impact of COVID-19 (note 10)		
	<u>\$ 2,304,754</u>	<u>\$ 1,838,898</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Chair

_____ Treasurer

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Statement of Operations

Year ended June 30, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Registrations	\$ 2,263,594	\$ 264,627
Exhibitors and sponsors	181,723	136,966
Grants and subsidies (note 10)	46,632	334,277
Membership fees	7,000	–
Other grants and revenue	15,140	53,049
Investment income	3,371	8,466
	<u>2,517,460</u>	<u>797,385</u>
Expenses:		
<i>Direct event costs:</i>		
Advertising and promotion	9,169	6,925
Board of Directors	3,103	–
Consulting fees	54,611	14,925
E-commerce and IT	62,141	31,545
Event fees	377,802	4,776
Food, beverage and hospitality	55,531	–
Speakers' fees, travel and gifts	100,334	28,144
Translation	68,599	7,214
	<u>731,290</u>	<u>93,529</u>
<i>Event support and administrative:</i>		
Amortization of tangible capital and intangible assets	52,963	53,266
Board of Directors	22,042	21,154
Chapter Advisory Council	38,060	–
Chapter Development Fund	42,000	–
Information technology	88,252	72,347
Miscellaneous	–	24,073
Office and general	73,924	74,655
Professional fees	73,543	88,532
Salaries and benefits	883,559	850,983
Training, membership, insurance and awards	6,114	8,533
Travel and meetings	1,833	562
	<u>2,013,580</u>	<u>1,287,634</u>
Excess (deficiency) of revenue over expenses	<u>\$ 503,880</u>	<u>\$ (490,249)</u>

See accompanying notes to financial statements.

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Statement of Changes in Net Assets

Year ended June 30, 2022, with comparative information for 2021

	Chapter Development Fund	Reserve Fund	Unrestricted	2022 Total	2021 Total
Balance, beginning of year	\$ 42,000	\$ 250,000	\$ 1,207,952	\$ 1,499,952	\$ 1,990,201
Excess (deficiency) of revenue over expenses	(42,000)	–	545,880	503,880	(490,249)
Balance, end of year	\$ –	\$ 250,000	\$ 1,753,832	\$ 2,003,832	\$ 1,499,952

See accompanying notes to financial statements.

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Statement of Cash Flows

Year ended June 30, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 503,880	\$ (490,249)
Items not involving cash:		
Amortization of tangible capital and intangible assets	52,963	53,266
Changes in non-cash working capital:		
Amounts receivable	(12,743)	89,152
Prepaid expenses	54,775	(109,685)
Accounts payable and accrued liabilities	82,843	(38,591)
Deferred revenue	(120,867)	234,616
	560,851	(261,491)
Investing activities:		
Change in investments	—	211,896
Acquisition of tangible capital and intangible assets	(3,058)	(2,236)
	(3,058)	209,660
Increase (decrease) in cash	557,793	(51,831)
Cash, beginning of year	1,478,343	1,530,174
Cash, end of year	\$ 2,036,136	\$ 1,478,343

See accompanying notes to financial statements.

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Notes to Financial Statements

Year ended June 30, 2022

1. Statute and nature of operations:

The Financial Management Institute of Canada (fmi*igf) is the leading source in Canada for professional development in new and emerging trends, best practices, and topical issues to public sector financial management stakeholders. The fmi*igf was incorporated March 31, 1982 under the Canada Corporations Act and is exempt from income tax. Effective October 4, 2013, the fmi*igf continued their articles of incorporation to the Canada Not-for-Profit Corporations Act.

These financial statements reflect the assets, liabilities, and operations of the fmi*igf. They do not include the assets, liabilities, or operations of the Regional Chapters which, although associated with the fmi*igf, are separately managed and report to separate Boards of Directors.

2. Significant accounting policies:

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

(b) Revenue recognition:

The fmi*igf follows the deferral method of accounting for contributions for not-for-profit organizations. 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.

Membership fees are set annually by the Board of Directors and are recognized as revenue proportionately over the fiscal year to which they relate. Investment income and other revenue are recognized on an accrual basis.

Revenue derived from registration fees, exhibitors and sponsors, and grants and subsidies is recognized when earned.

(c) Contributed materials and services:

The fmi*igf carries out its activities with the assistance of many volunteers who donate a considerable number of hours. Because of the inherent difficulty in determining their fair value, contributed services are not recognized in the financial statements.

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2022

2. Significant accounting policies (continued):

(c) Contributed materials and services (continued):

The fmi*igf recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had otherwise acquired these supplies and services for its normal operations. There were no in-kind contributions in this fiscal year (2021 - \$Nil).

(d) Tangible capital and intangible assets:

Tangible capital assets and intangible assets are recorded at their historical cost and amortized on a straight-line basis using the following annual rates:

Asset	Useful life
Furniture and equipment	5 years
Software, website, and course development	3 years

(e) Impairment of long-lived assets:

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

(f) Financial instruments:

(i) Measurement of financial instruments:

The fmi*igf initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The fmi*igf subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, non-equity investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2022

2. Significant accounting policies (continued):

(f) Financial instruments (continued):

(ii) Impairment:

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenue over expenses.

(iii) Transaction costs:

The fmi*igf recognizes its transaction costs in the excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption.

3. Financial risks:

The fmi*igf is exposed to various risks through its financial instruments. The following analysis provides a measure of the fmi*igf's risk exposure and concentrations at June 30, 2022.

The fmi*igf does not use derivative financial instruments to manage its risks.

(a) 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 fmi*igf main credit risks relate to its accounts receivable. The fmi*igf establishes an allowance for doubtful accounts while keeping in mind specific credit risk, historic tendencies and economic situation.

(b) Liquidity risk:

Liquidity risk is the risk that the fmi*igf cannot meet a demand for cash or fund its obligations as they become due. The fmi*igf meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2022

3. Financial risks (continued):

(c) 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 is comprised of currency risk, interest rate risk and other price risk.

(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 financial instruments of the fmi*igf are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe that the risk exposure of the fmi*igf is significant.

(ii) Interest rate risk:

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The investments of the fmi*igf are exposed to interest rate risk by virtue of the fact that the fmi*igf invests in term deposits and the return on these investments will vary as a result of changes in interest rates.

(iii) Other price risk:

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The fmi*igf is exposed to other price risk due to its investment in equities and equity funds.

Other than as described in Note 10, there has been no change to the fmi*igf's risk exposures from the prior year.

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2022

4. Accounts receivable:

		2022		2021
Trade receivables	\$	49,547	\$	28,415
Harmonized sales tax		39,970		–
Grants and subsidies receivable		–		48,359
	\$	89,517	\$	76,774

5. Tangible capital assets:

				2022		2021
	Cost	Accumulated amortization		Net book value		Net book value
Furniture and equipment	\$ 12,669	\$ 8,881	\$	3,788	\$	1,789

6. Intangible assets:

				2022		2021
	Cost	Accumulated amortization		Net book value		Net book value
Software	\$ 76,480	\$ 50,986	\$	25,494	\$	50,987
Website	16,470	16,470		–		4,575
Course development	65,505	56,725		8,780		30,616
	\$ 158,455	\$ 124,181	\$	34,274	\$	86,178

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2022

7. Internal restrictions:

Chapter Development Fund

The Chapter Investment Restricted Fund was created in 2005 for the exclusive use of the fmi*igf Chapters. The Chapter Development Fund replaced this program in December 2015 (motion BOD2015-21). Through formal submission, Chapters may requisition these funds under criteria established by the fmi*igf's Finance and Audit Committee and the Board of Directors.

	2022	2021
Balance, beginning of year	\$ 42,000	\$ 42,000
Disbursements to Chapters	(42,000)	–
Balance, end of year	\$ –	\$ 42,000

Reserve Fund

The Reserve Fund was created to restrict existing surpluses for future use in the event of unforeseen circumstances requiring issuance of non-budgeted funds.

8. Commitments:

The commitments entered into by the fmi*igf for conference space rental total \$197,219. Payments for the next two fiscal years are as follows:

2023	\$ 147,914
2024	49,305
	\$ 197,219

FINANCIAL MANAGEMENT INSTITUTE OF CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2022

9. Guarantees:

The fmi*igf purchases directors' and officers' liability insurance on behalf of the fmi*igf Board of Directors and Regional Chapters. The fmi*igf indemnifies past, present and future directors, officers, trustees, employees, volunteers and members, against expenses, judgments and any amount actually or reasonably incurred by them in connection with any wrongful act in which they are sued as a result of their service, if they acted honestly and in good faith with a view of the best interests of the fmi*igf / Regional Chapter. The fmi*igf believes the likelihood that it will incur significant liability under these arrangements is remote and accordingly, no amount has been recorded in the financial statements for these guarantees.

10. Impact of COVID-19:

In mid-March 2020, the Government of Canada and all of the provinces instituted emergency measures in response to public health concerns originating from the spread of the COVID-19. Those measures included travel restrictions and social distancing requirements which included a call to avoid crowded places and non-essential gatherings.

As a result of the pandemic and the ever changing restrictions on public gatherings throughout the fiscal year, fmi*igf offered a fully virtual PD week in 2021. The success of the event directly led to the positive year-end financial position.

When eligible, the fmi*igf applied for available government grant and subsidy programs. During 2022, the fmi*igf recognized revenues from the Canadian Emergency Wage Subsidy of \$14,134 (2021 - \$311,944) and from the Canadian Emergency Rent Subsidy of \$5,498 (2021 - \$22,333).

The outcome and timeframe to a recovery from the current pandemic is unpredictable, thus it is not practicable to estimate and disclose its effects on future operations at this time.