

INSTITUTE OF CERTIFIED MANAGEMENT
CONSULTANTS OF ONTARIO
FINANCIAL STATEMENTS
DECEMBER 31, 2023

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CONSULTANTS OF ONTARIO
FINANCIAL STATEMENTS
DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Members of
Institute of Certified Management Consultants of Ontario

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Institute of Certified Management Consultants of Ontario, ("CMC-Ontario") which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in 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 CMC-Ontario as at December 31, 2023, 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 CMC-Ontario 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.



INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing CMC-Ontario'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CMC-Ontario's financial reporting process.

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 these 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.



INDEPENDENT AUDITORS' REPORT (Continued)

- 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 CMC-Ontario'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 CMC-Ontario's ability 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 CMC-Ontario 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.

KRIENS~LAROSE, LLP

KRIENS~LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Canada
March 14, 2024


INSTITUTE OF CERTIFIED MANAGEMENT
CONSULTANTS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

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	2023	2022
	\$	\$
ASSETS		
CURRENT		
Cash	27,897	88,480
Investment (Note 2)	75,730	50,505
Prepaid expenses	119,726	142,271
Due from Canadian Association of Management Consultants (Note 3)	42,260	49,861
	265,613	331,117
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	9,236	17,346
HST payable	2,782	3,091
Deferred revenue (Note 4)	156,498	188,328
	168,516	208,765
NET ASSETS		
Unrestricted net assets	97,097	122,352
	265,613	331,117

APPROVED ON BEHALF OF THE COUNCIL:

DocuSigned by:



, Director

3/28/2024

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, Director

3/26/2024

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See accompanying notes to the financial statements

INSTITUTE OF CERTIFIED MANAGEMENT
CONSULTANTS OF ONTARIO
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

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	2023	2022
	\$	\$
REVENUES		
Membership dues (Note 3)	275,681	294,388
Interest	2,275	626
Events	312	37,095
Strategic change certificate	-	2,228
	278,268	334,337
EXPENSES		
Canadian Association of Management Consultants services fees (Note 3)	208,261	222,394
Management services	44,750	36,319
Events	21,603	45,065
Governance	12,797	9,345
Professional services	9,700	9,550
Administration	6,412	11,273
Strategic change certificate	-	1,948
Sponsorship	-	2,015
Program services	-	1,526
	303,523	339,435
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	(25,255)	(5,098)
Net assets, beginning of year	122,352	127,450
Net assets, end of year	97,097	122,352

See accompanying notes to the financial statements

INSTITUTE OF CERTIFIED MANAGEMENT
CONSULTANTS OF ONTARIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

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	2023	2022
	\$	\$
CASH WAS PROVIDED BY (USED IN):		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from membership dues	251,452	285,722
Cash receipts from events	312	37,178
Cash receipts from strategic change certificate	-	2,228
Cash receipts from interest	2,050	175
Cash paid to suppliers	(289,397)	(323,462)
	(35,583)	1,841
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(25,000)	-
Change in cash	(60,583)	1,841
Cash, beginning of year	88,480	86,639
Cash, end of year	27,897	88,480

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

The Institute of Certified Management Consultants of Ontario ("CMC-Ontario") is a Certifying Institute which, under provincial statute, confers and manages the Certified Management Consultant designation in Ontario and protects the public by setting and ensuring appropriate standards. Operationally, through a Teaming Agreement with the Canadian Association of Management Consultants ("CMC-Canada"), CMC-Ontario and CMC-Canada foster excellence and integrity in the management consulting profession as a whole, and are dedicated to advancing the profession and delivering the benefits of those efforts to the client community

The operations of CMC-Ontario include those of the GTA Member Services Chapter, Southwestern Ontario Member Services Chapter, and Eastern Ontario Member Services Chapter divisions.

CMC-Ontario was incorporated under the laws of Ontario as a not-for-profit organization without share capital. CMC-Ontario is a not-for-profit entity under the Income Tax Act (Canada) and as such, is exempt from corporate income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

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

Financial Instruments

CMC-Ontario initially measures its financial assets and financial liabilities at fair value. CMC-Ontario subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash, investments, accounts receivable, and amounts due from CMC-Canada.

Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities, and amounts due to CMC-Canada.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses represent payments made in the current fiscal year for goods and services to be received in the next fiscal year.

Revenue Recognition

CMC-Ontario follows the deferral method of accounting for contributions. 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

Membership fees are recognized as revenue when received. Membership fees received in advance of the membership period to which they relate are recorded as deferred revenue.

Event Revenue

Event contributions are recognized as revenue when the event takes place. Amounts received in advance of the event are recorded as deferred revenue.

Interest Revenue

Interest is recognized as revenue when received or receivable

Donated Services

During the year, voluntary services were provided. Because these services are not normally purchased by CMC-Ontario, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

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INSTITUTE OF CERTIFIED MANAGEMENT
CONSULTANTS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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2. INVESTMENTS

The investments consist of \$75,000 (2022: \$50,000) in a guaranteed investment certificate earning interest at 4.75% (2022: 3.50%) that matures in October 2024 (2022: September 2023).

3. RELATED PARTY TRANSACTIONS

CMC-Ontario has a Memorandum of Understanding ("MOU") with CMC-Canada effective December 1, 2017 with the financial provisions of the MOU that took effect on July 1, 2018. The MOU was for 5 years and 1 month with an option to extend for a further term of one year, up to a maximum of five renewal terms. In 2023, the MOU was further extended by 1 year until December 31, 2024.

Under the MOU, CMC-Ontario appointed CMC-Canada as its agent to bill and collect all membership dues on its behalf and remit collections to CMC-Ontario. In addition, CMC-Canada provides national core services, collaborative growth and vitality projects, and Institute services. In exchange for acting as CMC-Ontario's agent and these additional services, CMC-Canada charges CMC-Ontario for services fees based on a percentage of membership fees collected.

The transactions in the fiscal year are as follows:

	2023	2022
	\$	\$
From CMC-Canada:		
Membership dues	275,681	294,388
To CMC-Canada:		
Canadian Association of Management Consultants service fees	208,261	222,394
Due from CMC-Canada consists of the followings:		
Year-end accounts receivable due from CMC-Canada	215,136	200,892
Year-end accounts payable due to CMC-Canada	172,876	151,031
Net receivable	42,260	49,861

The transactions are recorded at their exchange amount, which is the amount agreed upon by both parties.

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INSTITUTE OF CERTIFIED MANAGEMENT
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NOTES TO THE FINANCIAL STATEMENTS
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4. DEFERRED REVENUE

Deferred revenue consists of the following:

	2023	2022
	\$	\$
Deferred renewal membership fees	152,598	181,618
Deferred new membership fees	3,900	6,710
	<hr/>	<hr/>
	156,498	188,328

The changes in the balance of deferred revenue for renewal membership fees are as follows:

Balance, beginning of year	181,618	197,289
Membership fees received during the year	152,598	181,618
Amounts recognized as revenue during the year	(181,618)	(197,289)
	<hr/>	<hr/>
Balance, end of year	152,598	181,618

The changes in the balance of deferred revenue for new membership fees are as follows:

Balance, beginning of year	6,710	3,471
Membership fees received during the year	3,900	6,710
Amounts recognized as revenue during the year	(6,710)	(3,471)
	<hr/>	<hr/>
Balance, end of year	3,900	6,710

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5. FINANCIAL INSTRUMENTS

CMC-Ontario is exposed to various risks through its financial instruments. The following presents the CMC-Ontario's risk exposures and concentrations at December 31, 2023.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. CMC-Ontario's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$0 (2022: \$0).

Liquidity Risk

Liquidity risk is the risk that CMC-Ontario will encounter difficulty in meeting obligations associated with financial liabilities. CMC-Ontario is exposed to this risk mainly in respect of its accounts payable. CMC-Ontario expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment from the prior period.

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 risks: currency risk, interest rate risk and other price risk.

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. CMC-Ontario not exposed to foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. CMC-Ontario has a low interest rate risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. CMC-Ontario is not exposed to other price risk.