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**ONTARIO PROFESSIONAL
PLANNERS INSTITUTE**

FINANCIAL STATEMENTS

DECEMBER 31, 2017



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ONTARIO PROFESSIONAL PLANNERS INSTITUTE

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Members of
Ontario Professional Planners Institute

Report on the Financial Statements

We have audited the accompanying financial statements of Ontario Professional Planners Institute, which comprise the statement of financial position as at December 31, 2017 and the statements of net assets, operations 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 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 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.



INDEPENDENT AUDITORS' REPORT (Continued)

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 Professional Planners Institute as at December 31, 2017 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.

KRIENS-LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
March 23, 2018

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

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	2017	2016
	\$	\$
ASSETS		
CURRENT		
Cash	1,260,969	1,014,284
Investments (Note 2)	1,500,000	1,507,255
Accounts receivable	30,380	21,519
Prepaid expenses	218,502	224,131
	3,009,851	2,767,189
EQUIPMENT (Note 3)	219,722	262,665
	3,229,573	3,029,854

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2017

	2017	2016
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	201,802	120,817
HST payable	88,008	99,210
Deferred revenue (Note 4)	1,046,650	1,094,931
	1,336,460	1,314,958
NET ASSETS		
UNRESTRICTED NET ASSETS (Note 6)	1,108,912	902,534
CAPITAL RESERVE FUND (Note 6)	155,733	144,979
STRATEGIC FUND (Note 6)	146,694	196,603
INVESTED IN EQUIPMENT	219,722	262,665
SCHOLARSHIP FUND (Note 5)	110,605	107,193
DISCIPLINE FUND (Note 6)	151,447	100,922
	1,893,113	1,714,896
	3,229,573	3,029,854

APPROVED ON BEHALF OF THE BOARD:

 _____, Director
 _____, Director

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2017

	Unrestricted Net Assets \$	Capital Reserve Fund \$	Strategic Fund \$	Invested In Equipment \$	Scholarship Fund \$	Discipline Fund \$	2017 Total \$	2016 Total \$
Balance, beginning of year	902,534	144,979	196,603	262,665	107,193	100,922	1,714,896	1,514,022
Excess of revenues over expenses for the year	213,435	10,754	(49,909)	-	3,412	525	178,217	200,874
Equipment purchases	(10,656)	-	-	10,656	-	-	-	-
Amortization	53,599	-	-	(53,599)	-	-	-	-
Fund transfers	(50,000)	-	-	-	-	50,000	-	-
Balance, end of year	1,108,912	155,733	146,694	219,722	110,605	151,447	1,893,113	1,714,896

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
	\$	\$
REVENUES		
Operations		
Membership fees (Schedule I)	1,595,439	1,491,389
Journal/mailings and events	230,798	188,716
Other fees	204,943	214,130
Professional development	93,945	120,100
Consultants directory	12,188	11,775
Awards for planning excellence	10,100	6,450
Other revenue	8,422	4,562
Interest	7,289	8,660
Scholarship	2,855	2,650
	2,165,979	2,048,432
Strategic Fund		
Conference	544,112	-
Districts	25,489	35,205
Interest	1,022	-
Symposium	-	450,866
	570,623	486,071
Capital Reserve Fund		
Mailings	28,845	31,605
Interest	754	-
	29,599	31,605
Discipline Fund		
Interest	525	682
Scholarship Fund		
Interest	557	706
Total Revenues	2,767,283	2,567,496

See accompanying notes to the financial statements

	2017	2016
	\$	\$
EXPENSES		
Operations		
General administration (Schedule III)	448,692	436,242
Communications, marketing & recognition	334,688	300,836
Office (Schedule II)	297,913	280,741
Quality practice strategy group	190,824	181,886
Governance, Executive & Nominating (Schedule IV)	172,010	154,644
Professional regulation strategy group	119,134	97,159
District leadership teams	98,627	97,315
Planning knowledge exchange	81,007	78,105
Professional standards & registration	74,335	60,594
Discipline	65,527	40,142
Planning issues strategy group	50,967	57,005
Annual conference/symposium	15,965	-
	1,949,689	1,784,669
Strategic Fund		
Conference	446,532	-
Communication Initiatives	70,000	45,000
Website	50,000	-
Governance, Executive & Nominating	50,000	58,171
District leadership teams	4,000	11,150
Symposium	-	333,551
Quality practice strategy group	-	25,287
Other Conferences/Symposiums	-	1,494
Government relations	-	69,335
Digital media	-	16,360
	620,532	560,348

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

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	2017	2016
	\$	\$
Capital Reserve Fund		
Postage	13,845	16,605
Office	5,000	5,000
	18,845	21,605
Total Expenses	2,589,066	2,366,622
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	178,217	200,874

See accompanying notes to the financial statements

	2017	2016
	\$	\$
SCHEDULE I		
Membership Fees		
Full member	1,196,312	1,113,565
Candidate member	207,011	168,630
Pre-candidate	94,177	81,081
Candidate (Provisional) member	27,125	51,992
Non-practicing member	24,503	25,343
Student member	24,078	28,438
Retired member	17,712	16,938
Public subscriber members	4,521	5,402
	1,595,438	1,491,388

SCHEDULE II

Office		
Rent and utilities	66,780	63,829
Bank charges	66,673	60,957
Amortization	53,599	65,666
Copier lease	39,036	39,036
Stationery and supplies	21,253	9,762
Telephone	14,003	12,179
Computer operations	9,895	7,809
Mail addressor	5,641	6,833
Courier	5,593	6,227
Miscellaneous office	4,653	1,445
Duplicating and printing	4,262	1,495
Mailer lease	2,182	1,074
Meter lease	2,136	2,245
Payroll services	1,955	1,910
1-800 service	253	275
	297,914	280,741

	2017	2016
	\$	\$
SCHEDULE III		
General Administration		
Wages and benefits	235,157	221,293
Insurance	191,333	188,040
Legal and audit fees	8,628	16,341
Employer health tax	6,762	5,909
Staff travel	4,401	3,249
Publication and merchandise sales	2,411	1,410
	448,692	436,242

SCHEDULE IV

Governance, Executive & Nominating		
Wages and benefits	116,137	113,372
Council meetings	31,116	20,189
Conferences	6,875	5,396
Strategic planning	6,627	5,000
Executive	5,149	2,614
Nominations	4,268	2,773
CIP conference	1,051	4,583
Miscellaneous Council	327	463
Council awards	257	252
Governance working group meetings	155	-
Annual general meeting	49	3
	172,011	154,645

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2017

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	2017	2016
	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Cash receipts for membership fees	1,547,157	1,430,699
Cash receipts for Journal and job advertisements	250,782	217,687
Cash receipts for professional development	93,945	120,100
Cash receipts for annual conference/symposium	544,112	450,866
Other cash receipts	238,508	232,312
Cash receipts from Districts	25,489	35,205
Interest received	10,147	10,048
Cash paid to suppliers and employees	(2,460,054)	(2,250,599)
	250,086	246,318
CASH FROM INVESTING ACTIVITIES		
(Purchase) sale of investments	7,255	(1,500,000)
CASH FROM FINANCING ACTIVITIES		
Purchase of equipment	(10,656)	-
Change in cash	246,685	(1,253,682)
Cash, beginning of year	1,014,284	2,267,966
Cash, end of year	1,260,969	1,014,284

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

The Institute is incorporated as a not for profit organization without share capital under Part II of the Canada Corporation Act. The objective of the Institute is to be a leader in public policy, promoting innovation in the practice of planning in Ontario, being the recognized voice of planners in the province and providing services valued by its members.

The Institute is a not-for-profit organization 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:

Cash and Cash Equivalents

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

Financial Instruments

The Institute initially measures its financial assets and financial liabilities at fair value. The Institute subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

Prepaid Expenses

Prepaid expenses are recorded for goods and services being received in the next fiscal year but paid for in the current fiscal year. The prepaid expenses include office lease deposit, and prepaid insurance.

Equipment and Amortization

Equipment is recorded at acquisition cost. Amortization is provided on the diminishing balance basis at the following annual rates:

Equipment	20%
Computer equipment	20%

Leasehold improvements are amortized over the term of the premises lease.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment and Amortization

Where equipment no longer has any long-term service potential to the Organization, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of operations.

Revenue Recognition

The Institute 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 assured.

All revenues, with the exception of interest are recognized as revenue when received or receivable, if the amount to be received can be reasonably assured. Amounts received prior to the service being provided are recorded as deferred revenue and recognized as revenue when the service is provided.

Interest is recognized as revenue when earned.

Wage Allocation

The Institute engages in various programs to provide services to members. The cost of each program include costs directly relating to providing the program. The Institute also incurs general administrative expenses that are common to the Institute and its programs. The Institute allocates its wages and benefits to these Committees based on the staff time on the Committee programs.

Donated Property and Services

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

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.

Continued...

2. INVESTMENTS

The investments are summarized as follows:

	2017 \$	2016 \$
RBC business savings account, 1.2%	1,000,000	1,006,215
GIC, .45%, maturing January 15, 2018	500,000	-
GIC, .45%, maturing January 16, 2017	-	501,040
	1,500,000	1,507,255

3. EQUIPMENT

	2017		2016	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Equipment	158,421	135,293	153,015	130,187
Computer equipment	622,792	430,793	617,542	383,449
Leasehold improvements	55,022	50,427	55,022	49,278
	836,235	616,513	825,579	562,914
Net book value		219,722		262,665

Continued...

4. DEFERRED REVENUE

The deferred revenue includes membership, journal advertising and subscription, consultants directory, members liability insurance, and professional development course fees received for the next fiscal year.

5. SCHOLARSHIP FUND

The OPPI scholarship fund provides funding for educational purposes. The interest earned on the fund investments is allocated to the fund on an annual basis. Any expenditures from the fund require Council approval.

	2017	2016
	\$	\$
Balance, beginning of year	107,193	103,837
Contributions	2,855	2,650
Interest income	557	706
<hr/>		
Balance, end of year	110,605	107,193

The Institute receive contributions from the following towards the fund as follows:

Donations in lieu of Conference/Symposium speaker fee - \$2,500
Western Lake Ontario District donation - \$50
Oak Ridges District donation - \$160
Southwest Lake Ontario District donation - \$145

Continued...

6. NET ASSETS

Operating Reserve

The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of OPPI for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Fund is defined as a designated fund set aside by action of the OPPI Council Directors. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations and programs measured for a set period of time, measured in months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes.

The target minimum Operating Reserve Fund is equal to at least six months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The amount of the target minimum will be calculated each year after approval of the annual budget by the OPPI Council.

Capital Reserve

The Capital Reserve is intended to provide a ready source of funds for repair or acquisition of leaseholds, furniture, fixtures, and equipment necessary for the effective operation of the Institute and programs.

The Capital Reserve fund is augmented by an annual allocation of \$10,000. The goal of this fund is to be 10% of the operating budget by 2021. The fund shall be decreased by the amount required to fund the purchase of any capital assets acquired during the year. The fund balance is to be conservatively invested based on Operational Policy 4.9 Investments and the investment income is to be accumulated in the fund.

Strategic Reserve

The Strategic Reserve is intended to provide funds to meet special targets that further the strategic goals of the institute as set by OPPI Council. The fund is augmented by excess revenue over expenses in OPPI Conference/Symposium. The fund balance is to be conservatively invested based on Operational Policy 4.9 Investments and the investment income is to be accumulated in the fund.

Continued...

6. **NET ASSETS (Continued)**

Discipline Reserve

The Discipline Reserve is intended to provide funds for major discipline cases. The Discipline fund is augmented by an annual allocation from general operations determined by OPPI Council. The fund balance is to be conservatively invested based on Operational Policy 4.9 Investments and the investment income is to be accumulated in the fund.

7. **COMMITMENTS**

The Institute is committed to minimum amount rentals under a long-term lease for premises for the period July 1, 2016 (6 months) to June 30, 2021 (6 months). Minimum rental commitments remaining under the lease are as follows:

2018	\$32,700
2019	\$32,700
2020	\$32,700
2021	\$16,400

The Institute is also responsible for its proportionate share of operating costs, realty taxes and hydro charges. These annual costs have been estimated to be approximately \$24,000.

The Institute is committed to an equipment lease, which expires in the 2019 fiscal year. Minimum rental commitments remaining under the lease are as follows:

2018	\$39,000
2019	\$10,000

Continued...

8. ALLOCATION OF WAGE EXPENSE

Wages have been allocated as follows:

	2017	2016
	\$	\$
Planning issues strategy group	44,486	50,855
Professional standards & registration	38,546	35,610
Governance, Executive & Nominating	116,137	113,372
Discipline	27,427	26,655
Communications, marketing & recognition	162,230	141,308
District leadership teams	69,279	68,190
General administration	87,088	82,571
Quality practice strategy group	110,327	105,378
Planning knowledge exchange	78,225	74,279
Self-regulation strategy group	52,127	49,142
	<hr/>	<hr/>
	785,872	747,360

9. FINANCIAL INSTRUMENTS

The Institute is exposed to various risks through its financial instruments. The following presents the Institute's exposures and concentrations at December 31, 2017.

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. The Institute'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 (2016: \$0).

Liquidity Risk

Liquidity risk is the risk the Institute will encounter difficulties in meeting obligations associated with financial liabilities. The Institute is exposed to this risk mainly in respect of its accounts payable. The Institute 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.

Continued...

9. **FINANCIAL INSTRUMENTS (Continued)**

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. The Institute is not exposed to market 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. The Institute is 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. The Institute is not exposed to fair value risk due to changes in market rates of interest.

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. The Institute is not exposed to other price risk.

