ONTARIO PROFESSIONAL PLANNERS INSTITUTE

FINANCIAL STATEMENTS
DECEMBER 31, 2023

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KRIENS~LAROSE, LLP
CHARTERED PROFESSIONAL
ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of
Ontario Professional Planners Institute

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Ontario Professional Planners Institute, which comprise the statement of financial position as at December 31, 2023, and the statements of net assets, operations, 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 Ontario Professional Planners Institute 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 Ontario Professional Planners Institute 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 the Institute'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's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute'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.

KRIENS~LAROSE, LLP
CHARTERED PROFESSIONAL
ACCOUNTANTS

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 the Institute'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 Institute'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 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.

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, Ontario
June 7, 2024

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023 $	2022 $
ASSETS		
CURRENT		
Cash	2,642,989	3,503,749
Investments (Note 2)	4,193,702	2,623,978
Accounts receivable	194,195	43,939
Prepaid expenses	38,355	33,312
HST recoverable	-	63,657
	7,069,241	6,268,635
EQUIPMENT (Note 3)	412,377	500,495
TOTAL ASSETS	7,481,618	6,769,130

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023 $	2022 $
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	199,972	337,209
Due to Canadian Institute of Planners (Note 4)	692,687	595,865
Due to BMS insurance (Note 4)	285,164	200,712
HST payable	265,988	-
Deferred revenue (Note 5)	1,464,937	1,306,767
	2,908,748	2,440,553
NET ASSETS		
UNRESTRICTED NET ASSETS (Note 7)	275,228	2,244,277
OPERATING RESERVE FUND (Note 7)	1,804,607	-
CAPITAL RESERVE FUND (Note 7)	306,857	281,974
STRATEGIC FUND (Note 7)	1,000,000	1,039,833
SCHOLARSHIP FUND (Note 6)	283,875	295,875
DISCIPLINE FUND (Note 7)	902,303	466,618
	4,572,870	4,328,577
TOTAL LIABILITIES AND NET ASSETS	7,481,618	6,769,130

APPROVED ON BEHALF OF THE BOARD:

_________________________________, Director

_________________________________, Director

See accompanying notes to the financial statements

STATEMENT OF NET ASSETS

AS AT DECEMBER 31, 2023

	Unrestricted Net Assets $	Operating Reserve Fund $	Capital Reserve Fund $	Strategic Fund $	Scholarship Fund $	Discipline Fund $	2023 Total $	2022 Total $
Balance, beginning of year	2,244,277	-	281,974	1,039,833	295,875	466,618	4,328,577	4,041,815
Excess of revenues over expenses for the year	256,293	-	-	-	(12,000)	-	244,293	286,762
Fund transfers (Note 7)	(2,225,342)	1,804,607	24,883	(39,833)	-	435,685	-	-
Balance, end of year	275,228	1,804,607	306,857	1,000,000	283,875	902,303	4,572,870	4,328,577

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 $	2022 $ (Note 11)
REVENUES		
Operations		
Membership fees	2,134,413	1,981,272
Annual conference/symposium	640,766	715,137
Magazine advertising and job postings	576,706	344,766
Interest	145,734	19,107
Professional development	131,271	32,031
District	31,269	-
Other membership charges	23,101	2,633
Insurance	-	316,847
	3,683,260	3,411,793
Scholarship Fund		
Scholarship contributions	-	5,280
	-	5,280
Total Revenues	3,683,260	3,417,073

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 $	2022 $ (Note 11)
EXPENSES		
Operations		
General Administration	1,141,530	1,290,366
COS - Conference	615,878	494,828
Strategy and Communications	578,055	518,126
Committees	213,630	292,683
Membership and Recognition	209,788	164,807
District	175,767	109,886
Governance	168,290	173,465
Discipline	125,530	70,650
COS - Professional Development	87,287	-
Reconciliation and Social Justice	76,712	-
COS - Job Board	27,500	-
COS - Magazine	4,869	-
COS - Stamp and Seal	2,131	-
	3,426,967	3,114,811
Scholarship Fund		
Scholarships	12,000	15,500
Total Expenses	3,438,967	3,130,311
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	244,293	286,762

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 $	2022 $
CASH FROM OPERATING ACTIVITIES:		
Cash receipts from membership fees	2,282,603	2,392,251
Cash receipts from magazine advertising and job postings	494,072	347,818
Cash receipts from professional development	131,271	48,928
Cash receipts from annual conference	640,766	686,315
Other cash receipts	48,975	342,875
Interest received	92,859	19,107
Cash paid to suppliers and employees	(2,974,361)	(2,342,616)
	716,185	1,494,678
CASH FROM INVESTING ACTIVITIES		
(Purchase) sale of investments	(1,569,724)	(113,202)
CASH FROM FINANCING ACTIVITIES		
Purchase of equipment	(7,221)	(352,513)
Change in cash	(860,760)	1,028,963
Cash, beginning of year	3,503,749	2,474,786
Cash, end of year	2,642,989	3,503,749

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 objectives of the Institute are:

To promote, maintain and regulate high standards of professional planning practice and ethical behaviour.

To further the recognition of the planning profession in Ontario

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:

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.

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 are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment and Amortization

Equipment is recorded at acquisition cost. Amortization is provided at the following annual rates:

Equipment	7 years straight line
Computer equipment	5 years straight line

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

Where equipment no longer has any long-term service potential to the Institute, 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 reasonable 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.

Donated Property and Services

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

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.

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2. INVESTMENTS

The investments are summarized as follows:

	2023 $	2022 $
RBC premium investment account	2,693,702	2,123,978
GIC, 4.7%, maturing March 29, 2024	1,500,000	-
GIC, 1.65%, maturing July 7, 2023	-	500,000
	4,193,702	2,623,978

3. EQUIPMENT

	2023		2022	
	Cost $	Accumulated amortization $	Cost $	Accumulated amortization $
Equipment & furniture	130,893	86,588	130,893	18,699
Computer equipment	972,930	718,630	965,709	699,931
Leasehold improvements	186,296	72,524	186,296	63,773
	1,290,119	877,742	1,282,898	782,403
Net book value		412,377		500,495

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4. DUE TO CANADIAN INSTITUTE OF PLANNERS (CIP)

The $692,687 represents the CIP membership dues collected by OPPI on behalf of CIP.

The $285,164 represents the BMS Insurance premium for Errors and Omissions Coverage collected by OPPI on behalf of BMS.

5. DEFERRED REVENUE

The deferred revenue includes the following received for the next fiscal year.

	2023 $	2022 $
Membership fees	1,448,462	1,300,272
Course fees	1,100	6,495
Journal advertising	15,375	-
Balance, end of year	1,464,937	1,306,767

6. 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. The target Scholarship Reserve Fund is equal to an amount to support the current Scholarship program for 3 years

	2023 $	2022 $
Balance, beginning of year	295,875	306,095
Contributions	-	1,050
Forum Friday	-	4,230
Scholarships	(12,000)	(15,500)
Balance, end of year	283,875	295,875

Continued...

7. 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 target Capital Reserve Fund is equal to an amount of the previously approved move/leasehold improvement budget and 10% of the contingency budget over the remaining lease year.

Strategic Reserve
The Strategic Reserve is intended to provide funds for special projects that further the strategic goals of the institute as set by OPPI Council, up to a maximum of $1,000,000.

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7. NET ASSETS (Continued)

Discipline Reserve
The Discipline Reserve is intended to provide funds for major discipline cases. The target Discipline Reserve Fund is equal to 50% of the Operating Reserve.

8. COMMITMENTS

The Institute is committed to minimum amount rentals under a long-term lease for premises for the period April 1, 2022 to March 31, 2037. Minimum rental commitments remaining by the lease term are as follows:

2024	$71,760
2025	$79,120
2026	$79,120
2027	$82,800
2028 to 2037	$938,400
Total	$1,251,200

The Institute is also responsible for it's proportionate share of operating costs, realty taxes and hydro charges. These annual costs have been estimated to be approximately $75,000.

The Institute is committed to an equipment lease for the 2020 to 2026 fiscal years. Minimum annual rental commitments are $39,540. The total commitment remaining under the lease as at December 31, 2023 is $79,080.

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9. ALLOCATION OF WAGE EXPENSE

Wages have been allocated as follows:

	2023 $	2022 $ (Note 11)
Strategy and Communications	315,045	296,555
Committees	193,092	176,727
Membership and Recognition	152,441	115,000
Governance	101,627	96,043
District Leadership Team	101,627	91,192
General Administration	57,681	54,629
Discipline	50,814	47,003
Reconciliation and Social Justice	43,947	-
	1,016,274	877,149

10. 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, 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. 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 (2022: $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.

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10. 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.

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 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. The Institute is not exposed to other price risk.

11. COMPARATIVE FIGURES

In the 2023 fiscal year the Institute changed its classification of several accounts and their grouping for the purpose of presentation in the financial statements with an aim of increasing usability. Accordingly, 2022 fiscal year comparative figures have been reclassified to the extent practical to conform to the current year's presentation.