

**ONTARIO PROFESSIONAL
PLANNERS INSTITUTE**

**FINANCIAL STATEMENTS
DECEMBER 31, 2021**

ONTARIO PROFESSIONAL PLANNERS INSTITUTE

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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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, 2021, 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, 2021, 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.

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



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
May 6, 2022

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

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	2021	2020
	\$	\$
ASSETS		
CURRENT		
Cash	2,474,786	1,913,095
Investments (Note 2)	2,510,776	2,500,000
Accounts receivable	53,181	48,699
Prepaid expenses	44,426	24,422
	5,083,169	4,486,216
EQUIPMENT (Note 3)	254,504	311,415
TOTAL ASSETS	5,337,673	4,797,631

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

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	2021	2020
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	123,277	64,566
HST payable	133,225	143,796
Deferred revenue (Note 4)	1,039,356	1,175,377
	1,295,858	1,383,739
NET ASSETS		
UNRESTRICTED NET ASSETS (Note 6)	1,594,295	1,494,295
CAPITAL RESERVE FUND (Note 6)	634,974	609,580
STRATEGIC FUND (Note 6)	1,039,833	640,144
SCHOLARSHIP FUND (Note 5)	306,095	203,255
DISCIPLINE FUND (Note 6)	466,618	466,618
	4,041,815	3,413,892
TOTAL LIABILITIES AND NET ASSETS	5,337,673	4,797,631

APPROVED ON BEHALF OF THE BOARD:

_____, Director

_____, Director

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF NET ASSETS
 AS AT DECEMBER 31, 2021

	Unrestricted Net Assets \$	Capital Reserve Fund \$	Strategic Fund \$	Scholarship Fund \$	Discipline Fund \$	2021 Total \$	2020 Total \$
Balance, beginning of year	1,494,295	609,580	640,144	203,255	466,618	3,413,892	2,710,638
Excess of revenues over expenses for the year	481,262	25,394	118,427	2,840	-	627,923	703,254
Fund transfers (Note 6)	(381,262)	-	281,262	100,000	-	-	-
Balance, end of year	1,594,295	634,974	1,039,833	306,095	466,618	4,041,815	3,413,892

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
REVENUES		
Operations		
Membership fees (Schedule I)	1,912,558	1,893,068
Magazine advertising and job postings	426,155	181,899
Insurance and other membership charges	235,932	197,166
Professional development	22,853	62,675
Consultants directory	13,350	13,200
Interest	9,042	11,078
Other	4,855	7,904
Government assistance (Note 7)	-	267,776
	2,624,745	2,634,766
Strategic Fund		
Conference	393,621	318,566
Districts	-	24,026
Interest	-	7,311
	393,621	349,903
Capital Reserve Fund		
Job postings	35,000	22,811
Interest	-	3,257
	35,000	26,068
Discipline Fund		
Interest	-	3,062
Scholarship Fund		
Forum Friday	7,140	-
Scholarship contributions	200	1,250
Interest	-	2,791
	7,340	4,041
Total Revenues	3,060,706	3,017,840

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
EXPENSES		
Operations		
General administration (Schedule III)	520,713	507,287
Office (Schedule II)	424,329	328,317
Communications, marketing & recognition	382,470	365,345
Governance, executive & nominating (Schedule IV)	175,467	149,385
Quality practice strategy group	128,111	147,290
Professional regulation strategy group	118,322	106,651
Professional standards & registration	95,316	91,430
Discipline	93,875	93,510
Planning issues strategy group	77,779	65,816
Planning knowledge exchange	68,912	92,135
District leadership teams	58,189	95,771
	2,143,483	2,042,937
Strategic Fund		
Conference	187,219	208,551
Strategic planning	83,645	13,610
Event sponsorship	4,330	2,530
District leadership teams	-	4,000
Branding/marketing	-	22,647
	275,194	251,338

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
Capital Reserve Fund		
Office	5,000	5,000
Postage	4,606	7,811
	9,606	12,811
Scholarship Fund		
Scholarships	4,500	7,500
Total Expenses	2,432,783	2,314,586
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	627,923	703,254

See accompanying notes to the financial statements

	2021	2020
	\$	\$
SCHEDULE I		
Membership Fees		
Full	1,343,817	1,371,918
Candidate	384,846	336,009
Pre-candidate	109,199	105,754
Retired	25,982	24,785
Non-practicing	24,785	24,209
Student	18,389	21,738
Public subscriber	3,010	3,388
Candidate (Provisional)	2,530	5,268
	1,912,558	1,893,068

SCHEDULE II

Office

AMS (Association Database)	92,595	-
Credit card and bank charges	78,258	77,770
Rent and utilities	68,896	68,896
Amortization	65,980	61,707
Equipment leases	53,054	52,093
Computer operations	33,408	12,420
Telephone	15,399	17,316
Stationery and supplies	13,228	18,887
Payroll services	1,910	1,998
Courier	1,014	1,117
Miscellaneous	516	5,721
Duplicating and printing	71	392
Office	-	10,000
	424,329	328,317

	2021	2020
	\$	\$
SCHEDULE III		
General Administration		
Wages and benefits	276,565	295,225
Insurance	223,952	188,141
Legal and audit fees	19,681	22,818
Staff travel	515	991
Publication and merchandise sales	-	112
	520,713	507,287

SCHEDULE IV

Governance, Executive & Nominating		
Wages and benefits	128,020	132,720
Conferences	22,972	521
Council meetings	12,235	82
Strategic planning	5,000	4,500
Nominations	3,929	5,850
Executive	3,311	939
Membership	-	276
Governance working group meetings	-	4,355
Council awards	-	142
	175,467	149,385

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Cash receipts from membership fees	1,776,537	1,910,697
Cash receipts from Journal and job advertisements	430,745	214,341
Cash receipts from Government assistance	25,928	241,848
Cash receipts from professional development	22,853	62,675
Cash receipts from annual conference	393,621	318,566
Other cash receipts	254,337	219,520
Cash receipts from Districts	-	24,026
Interest received	9,042	27,499
Cash paid to suppliers and employees	(2,331,527)	(2,006,391)
	581,536	1,012,781
CASH FROM INVESTING ACTIVITIES		
(Purchase) sale of investments	(10,776)	(500,000)
CASH FROM FINANCING ACTIVITIES		
Purchase of equipment	(9,069)	(129,171)
Change in cash	561,691	383,610
Cash, beginning of year	1,913,095	1,529,485
Cash, end of year	2,474,786	1,913,095

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 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.

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 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.

Government Assistance

Government assistance is a restricted contribution and is accounted for using the deferral method based on the assistance provided:

Wage Subsidies

Wage subsidies are recognized as revenue in the year the related wages are incurred.

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.

Continued...

2. INVESTMENTS

The investments are summarized as follows:

	2021	2020
	\$	\$
GIC, .52%, maturing May 6, 2022	500,000	-
RBC premium investment account	2,010,776	1,250,000
GIC, 1.10%, maturing October February 1, 2021	-	750,000
GIC, .70%, maturing May 5, 2021	-	500,000
	2,510,776	2,500,000

3. EQUIPMENT

	2021		2020	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Equipment	164,932	152,304	164,932	149,147
Computer equipment	875,363	633,486	866,294	573,017
Leasehold improvements	55,022	55,023	55,022	52,669
	1,095,317	840,813	1,086,248	774,833
Net book value		254,504		311,415

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.

	2021	2020
	\$	\$
Balance, beginning of year	203,255	206,714
Contributions	200	1,250
Interest income	-	2,791
Forum Friday	7,140	-
Scholarships	(4,500)	(7,500)
Fund transfer	100,000	-
Balance, end of year	306,095	203,255

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. 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. **GOVERNMENT ASSISTANCE**

During the fiscal year, the Institute received Canada Emergency Wage Subsidy (CEWS) of \$25,928 (2020: \$241,848).

The CEWS served as financial relief for a portion of employee wages. The assistance received is not repayable albeit is subject to audit by the Canada Revenue Agency (CRA). The CEWS was temporary and was available from March 15, 2020 to October, 2021 to eligible employers.

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:

2023	\$71,760
2024	\$71,760
2025	\$79,120
2026	\$79,120
2027	\$82,800
2028 to 2037	\$938,400
Total	\$1,322,960

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 \$75,000.

Continued...

8.. COMMITMENTS (continued)

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, 2020 is \$158,160.

9. ALLOCATION OF WAGE EXPENSE

Wages have been allocated as follows:

	2021	2020
	\$	\$
Planning issues strategy group	6,094	5,974
Professional standards & registration	61,463	55,864
Governance, Executive & Nominating	128,020	132,720
Discipline	41,950	39,899
Communications, marketing & recognition	160,473	149,960
District leadership teams	57,781	73,103
General administration	97,206	102,771
Quality practice strategy group	86,561	85,934
Planning knowledge exchange	68,331	85,009
Self-regulation strategy group	53,141	47,441
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	761,020	778,675

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, 2021.

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 (2020: \$0).

Continued...

10. FINANCIAL INSTRUMENTS (Continued)

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.

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. MATERIAL UNCERTAINTY - COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the outbreak of the novel Coronavirus (“COVID-19”). The situation is continuously developing, and the economic impact has been substantial to both Canada and the globe. As at May 6, 2022, management is aware of the changes in operations as a result of the pandemic including the transition of some operations to an online platform and an increase in expenses for personnel and equipment.

Assets and liabilities have been recorded using the best information available at the time of financial statement preparation. The uncertainty due to the pandemic may cause recorded amounts to be different than those realized, and those differences may be material. Estimates could be materially different than actual results.