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**ONTARIO PROFESSIONAL
PLANNERS INSTITUTE**

FINANCIAL STATEMENTS

DECEMBER 31, 2016



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ONTARIO PROFESSIONAL PLANNERS INSTITUTE

FINANCIAL STATEMENTS

DECEMBER 31, 2016

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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, 2016 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, 2016 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 24, 2017

	2016	2015
	\$	\$
ASSETS		
CURRENT		
Cash	1,014,284	2,267,966
Investments (Note 2)	1,507,255	-
Accounts receivable	21,519	18,885
Prepaid expenses	224,131	213,641
	2,767,189	2,500,492
EQUIPMENT (Note 3)	262,665	328,331
	3,029,854	2,828,823

	2016	2015
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	120,817	49,003
HST payable	99,210	110,178
Deferred revenue (Note 4)	1,094,931	1,155,620
	1,314,958	1,314,801
NET ASSETS		
UNRESTRICTED NET ASSETS (Note 6)	902,534	575,755
CAPITAL RESERVE FUND (Note 6)	144,979	134,979
STRATEGIC FUND (Note 6)	196,603	270,880
INVESTED IN EQUIPMENT	262,665	328,331
SCHOLARSHIP FUND (Note 5)	107,193	103,837
DISCIPLINE FUND (Note 6)	100,922	100,240
	1,714,896	1,514,022
	3,029,854	2,828,823

APPROVED ON BEHALF OF THE BOARD:

A. Deslauriers, Director

C. Henrich, Director

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2016

	Unrestricted Net Assets \$	Capital Reserve Fund \$	Strategic Fund \$	Invested In Equipment \$	Scholarship Fund \$	Discipline Fund \$	2016 Total \$	2015 Total \$
Balance, beginning of year	575,755	134,979	270,880	328,331	103,837	100,240	1,514,022	1,361,584
Excess of revenues over expenses for the year	261,113	10,000	(74,277)	-	3,356	682	200,874	152,438
Amortization	65,666	-	-	(65,666)	-	-	-	-
Balance, end of year	902,534	144,979	196,603	262,665	107,193	100,922	1,714,896	1,514,022

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
	\$	\$
REVENUES		
Operations		
Membership fees (Schedule I)	1,491,389	1,402,630
Other fees	214,130	56,123
Journal/mailings and events	188,716	154,500
Professional development	120,100	96,315
Consultants directory	11,775	11,025
Interest (Note 7)	9,366	8,898
Awards for planning excellence	6,450	11,630
Other revenue	4,562	20,467
Scholarship	2,650	280
Annual conference/symposium	-	500
	2,049,138	1,762,368
Strategic Fund		
Symposium	450,866	-
Districts	35,205	44,234
Conference	-	586,354
	486,071	630,588
Capital Reserve Fund		
Mailings	31,605	35,761
Discipline Fund		
Interest	682	240
Total Revenues	2,567,496	2,428,957

See accompanying notes to the financial statements

	2016	2015
	\$	\$
EXPENSES		
Operations		
General administration (Schedule III)	436,242	264,648
Communications, marketing & recognition	300,836	299,899
Office (Schedule II)	280,741	305,841
Quality practice strategy group	181,886	151,503
Governance, Executive & Nominating (Schedule IV)	154,644	149,646
District leadership teams	97,315	91,493
Self-regulation strategy group	97,159	96,375
Planning knowledge exchange	78,105	75,017
Professional standards & registration	60,594	55,004
Planning issues strategy group	57,005	50,386
Discipline	40,142	32,314
	1,784,669	1,572,126
Strategic Fund		
Symposium	333,551	-
Other Conferences/Symposiums	1,494	-
Government relations	69,335	-
Governance, Executive & Nominating	58,171	22,771
Communication Initiatives	45,000	25,109
Quality practice strategy group	25,287	59,278
Digital media	16,360	39,120
District leadership teams	11,150	12,950
Conference	-	519,404
	560,348	678,632

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
	\$	\$
Capital Reserve Fund		
Postage	16,605	19,000
Office	5,000	5,000
Mailing service	-	1,761
	21,605	25,761
Total Expenses	2,366,622	2,276,519
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	200,874	152,438

See accompanying notes to the financial statements

	2016	2015
	\$	\$
SCHEDULE I		
Membership Fees		
Full member	1,113,565	1,057,245
Candidate member	168,630	120,758
Pre-candidate	81,081	66,951
Candidate (Provisional) member	51,992	86,170
Student member	28,438	24,482
Non-practicing member	25,343	24,753
Retired member	16,938	17,610
Public subscriber members	5,402	4,662
	1,491,388	1,402,630

SCHEDULE II

Office		
Amortization	65,666	79,792
Rent and utilities	63,829	61,578
Bank charges	60,957	61,861
Copier lease	39,036	39,299
Telephone	12,179	14,258
Stationery and supplies	9,762	18,030
Computer operations	7,809	6,318
Mail addressor	6,833	6,833
Courier	6,227	6,282
Meter lease	2,245	2,245
Payroll services	1,910	2,398
Duplicating and printing	1,495	2,722
Miscellaneous office	1,445	2,609
Mailer lease	1,074	1,074
1-800 service	275	543
	280,742	305,841

	2016	2015
	\$	\$
SCHEDULE III		
General Administration		
Wages and benefits	221,293	202,673
Insurance	188,040	6,984
Legal and audit fees	16,341	39,441
Employer health tax	5,909	9,087
Staff travel	3,249	5,618
Publication and merchandise sales	1,410	845
	436,242	264,648

SCHEDULE IV

Governance, Executive & Nominating		
Wages and benefits	113,372	109,050
Council meetings	20,189	17,187
Conferences	5,396	5,881
Strategic planning	5,000	5,000
CIP conference	4,583	4,456
Nominations	2,773	6,425
Executive	2,614	1,095
Miscellaneous Council	463	207
Council awards	252	174
Annual general meeting	3	171
	154,645	149,646

	2016	2015
	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Cash receipts for membership fees	1,430,699	1,705,692
Cash receipts for Journal and mailings	217,687	222,779
Cash receipts for professional development	120,100	96,315
Cash receipts for annual conference/symposium	450,866	586,854
Other cash receipts	232,312	99,525
Cash receipts from Districts	35,205	44,234
Interest received	10,048	9,138
Cash paid to suppliers and employees	(2,250,599)	(2,648,320)
	246,318	116,217
CASH FROM INVESTING ACTIVITIES		
(Purchase) sale of investments	(1,500,000)	-
CASH FROM FINANCING ACTIVITIES		
Purchase of equipment	-	(18,327)
Change in cash	(1,253,682)	97,890
Cash, beginning of year	2,267,966	2,170,076
Cash, end of year	1,014,284	2,267,966

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:

	2016 \$	2015 \$
RBC business savings account, 1.2%	1,006,215	-
GIC, .45%, maturing January 16, 2017	501,040	-
	1,507,255	-

3. EQUIPMENT

	2016		2015	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Equipment	153,015	130,187	153,015	124,480
Computer equipment	617,542	383,449	617,542	324,926
Leasehold improvements	55,022	49,278	55,022	47,842
	825,579	562,914	825,579	497,248
		262,665		328,331

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.

Continued...

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.

	2016	2015
	\$	\$
Balance, beginning of year	103,837	101,403
Contributions	2,650	1,632
Interest income	706	802
<hr/>		
Balance, end of year	107,193	103,837

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

Donations in lieu of Conference/Symposium speaker fee - \$2,500
Toronto District - \$150

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.

Continued...

6. NET ASSETS (Continued)

Operating Reserve

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.

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.

Continued...

7. **INTEREST INCOME**

Interest income earned is reported as follows:

	2016	2015
	\$	\$
Income earned on unrestricted net assets	8,660	8,096
Income earned on OPPI Scholarship fund	706	802
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	9,366	8,898

8. **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:

2017	\$32,700
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:

2017	\$39,000
2018	\$39,000
2019	\$10,000

Continued...

9. ALLOCATION OF WAGE EXPENSE

Wages have been allocated as follows:

	2016	2015
	\$	\$
Planning issues strategy group	50,855	47,055
Professional standards & registration	35,610	37,785
Governance, Executive & Nominating	113,372	109,050
Discipline	26,655	25,650
Communications, marketing & recognition	141,308	135,412
District leadership teams	68,190	65,158
General administration	82,571	74,397
Quality practice strategy group	105,378	100,507
Planning knowledge exchange	74,279	72,498
Self-regulation strategy group	49,142	46,575
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	747,360	714,087

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, 2016.

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 (2015: \$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.

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. 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.

