KRIENS~LAROSE, LLP
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ONTARIO PROFESSIONAL PLANNERS INSTITUTE

FINANCIAL STATEMENTS

DECEMBER 31, 2018

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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, 2018, 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, 2018, 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.

KRIENS~LAROSE, LLP
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ACCOUNTANTS

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.

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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
March 22, 2019

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

ASSETS

	2018 $	2017 $
CURRENT		
Cash	1,239,803	1,260,969
Investments (Note 2)	2,000,000	1,500,000
Accounts receivable	33,041	30,380
Prepaid expenses	217,669	218,502
	3,490,513	3,009,851
EQUIPMENT (Note 3)	202,924	219,722
	3,693,437	3,229,573

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	2018 $	2017 $
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	21,389	201,802
HST payable	111,817	88,008
Deferred revenue (Note 4)	1,145,454	1,046,650
	1,278,660	1,336,460
NET ASSETS		
UNRESTRICTED NET ASSETS (Note 6)	1,239,291	1,108,912
CAPITAL RESERVE FUND (Note 6)	227,026	155,733
STRATEGIC FUND (Note 6)	316,829	146,694
INVESTED IN EQUIPMENT	202,924	219,722
SCHOLARSHIP FUND (Note 5)	206,003	110,605
DISCIPLINE FUND (Note 6)	222,704	151,447
	2,414,777	1,893,113
	3,693,437	3,229,573

APPROVED ON BEHALF OF THE BOARD:

Jina Deniga, Director

_________________, Director

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2018

	Unrestricted Net Assets $	Capital Reserve Fund $	Strategic Fund $	Invested In Equipment $	Scholarship Fund $	Discipline Fund $	2018 Total $	2017 Total $
Balance, beginning of year	1,108,912	155,733	146,694	219,722	110,605	151,447	1,893,113	1,714,896
Excess of revenues over expenses for the year	443,581	11,293	70,135	-	(4,602)	1,257	521,664	178,216
Equipment purchases	(30,163)	-	-	30,163	-	-	-	-
Amortization	46,961	-	-	(46,961)	-	-	-	-
Fund transfers	(330,000)	60,000	100,000	-	100,000	70,000	-	-
Balance, end of year	1,239,291	227,026	316,829	202,924	206,003	222,704	2,414,777	1,893,112

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 $	2017 $
REVENUES		
Operations		
Membership fees (Schedule I)	1,682,142	1,595,439
Journal/mailings and events	279,471	230,798
Other fees	207,164	204,943
Professional development	63,525	93,945
Interest	16,040	7,289
Consultants directory	12,150	12,188
Other	3,243	8,422
Awards for planning excellence	-	10,100
	2,263,735	2,163,124
Strategic Fund		
Symposium	283,750	-
Districts	28,736	25,489
Interest	1,218	1,022
Conference	-	544,112
	313,704	570,623
Capital Reserve Fund		
Mailings	27,584	28,845
Interest	1,293	754
	28,877	29,599
Discipline Fund		
Interest	1,257	525
Scholarship Fund		
Scholarship contributions	1,980	2,855
Interest	918	557
	2,898	3,412
Total Revenues	2,610,471	2,767,283

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 $	2017 $
EXPENSES		
Operations		
General administration (Schedule III)	448,146	448,692
Communications, marketing & recognition	310,316	330,188
Office (Schedule II)	293,807	297,914
Governance, executive & nominating (Schedule IV)	177,904	172,010
Quality practice strategy group	174,789	206,789
Professional regulation strategy group	96,509	119,134
District leadership teams	95,080	98,627
Planning knowledge exchange	85,242	81,007
Professional standards & registration	68,418	74,335
Discipline	39,525	65,527
Planning issues strategy group	30,418	50,967
	1,820,154	1,945,190
Strategic Fund		
Symposium	229,569	-
Strategic planning	10,000	-
District leadership teams	4,000	4,000
Website	-	50,000
Governance, executive & nominating	-	50,000
Conference	-	446,532
Communication Initiatives	-	70,000
	243,569	620,532

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 $	2017 $
Capital Reserve Fund		
Postage	12,584	13,845
Office	5,000	5,000
	17,584	18,845
Scholarship Fund		
Scholarships	7,500	4,500
Total Expenses	2,088,807	2,589,067
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	521,664	178,216

	2018 $	2017 $
SCHEDULE I		
Membership Fees		
Full	1,235,205	1,196,312
Candidate	256,692	207,011
Pre-candidate	106,936	94,177
Student	28,927	24,078
Non-practicing	23,089	24,503
Retired	18,879	17,712
Candidate (Provisional)	9,222	27,125
Public subscriber	3,193	4,522
	1,682,142	1,595,439

	2018 $	2017 $
SCHEDULE II		
Office		
Credit card and bank charges	71,249	66,673
Rent and utilities	67,606	66,780
Equipment leases	49,021	48,996
Amortization	46,961	53,599
Stationery and supplies	24,596	21,253
Computer operations	12,420	9,895
Telephone	9,571	14,256
Courier	5,178	5,593
Duplicating and printing	3,010	4,262
Miscellaneous	2,395	4,653
Payroll services	1,800	1,954
	293,807	297,914

	2018 $	2017 $
SCHEDULE III		
General Administration		
Wages and benefits	235,999	241,919
Insurance	193,867	191,333
Legal and audit fees	9,238	8,628
Staff travel	7,258	4,401
Publication and merchandise sales	1,784	2,411
	448,146	448,692
SCHEDULE IV		
Governance, Executive & Nominating		
Wages and benefits	116,733	116,137
Council meetings	33,567	31,116
Conferences	7,696	6,874
Strategic planning	5,939	6,627
Nominations	4,054	4,268
Executive	3,650	5,149
Annual general meeting	2,950	49
Honorarium	1,250	-
CIP conference	1,053	1,051
Miscellaneous Council	720	327
Council awards	191	257
Governance working group meetings	101	155
	177,904	172,010

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 $	2017 $
CASH FROM OPERATING ACTIVITIES:		
Cash receipts from membership fees	1,780,946	1,547,157
Cash receipts from Journal and job advertisements	304,394	250,782
Cash receipts from professional development	63,525	93,945
Cash receipts from annual conference/symposium	283,750	544,112
Other cash receipts	224,537	238,508
Cash receipts from Districts	28,736	25,489
Interest received	20,726	10,147
Cash paid to suppliers and employees	(2,197,617)	(2,460,054)
	508,997	250,086
CASH FROM INVESTING ACTIVITIES		
(Purchase) sale of investments	(500,000)	7,255
CASH FROM FINANCING ACTIVITIES		
Purchase of equipment	(30,163)	(10,656)
Change in cash	(21,166)	246,685
Cash, beginning of year	1,260,969	1,014,284
Cash, end of year	1,239,803	1,260,969

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 to be received in the next fiscal yea, which were paid for in the current fiscal year.

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 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.

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 Institute, 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:

	2018 $	2017 $
RBC business savings account, 1.01%	1,000,000	1,000,000
GIC, 2.0%, maturing October 15, 2019	1,000,000	-
GIC, .45%, maturing January 15, 2018	-	500,000
	2,000,000	1,500,000

3. EQUIPMENT

	2018 Cost $	2018 Accumulated amortization $	2017 Cost $	2017 Accumulated amortization $
Equipment	163,592	140,436	158,421	135,293
Computer equipment	647,784	471,692	622,792	430,793
Leasehold improvements	55,022	51,346	55,022	50,427
	866,398	663,474	836,235	616,513
Net book value		202,924		219,722

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.

	2018 $	2017 $
Balance, beginning of year	110,605	107,193
Contributions	1,980	2,855
Interest income	918	557
Scholarships	(7,500)	-
Balance, end of year	106,003	110,605

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

Northern District - in lieu of speaker gift - $50
Oak Ridges District - in lieu of speaker gift - $80
OPPI Sudbury Symposium - in lieu of speaker gift - $1,250
Ron Keeble donation - $600

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:

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

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 $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:

2019	$10,000

Continued...

8. ALLOCATION OF WAGE EXPENSE

Wages have been allocated as follows:

	2018 $	2017 $
Planning issues strategy group	4,502	44,486
Professional standards & registration	36,000	38,546
Governance, Executive & Nominating	116,733	116,137
Discipline	26,298	27,427
Communications, marketing & recognition	139,762	162,230
District leadership teams	60,431	69,279
General administration	88,114	87,088
Quality practice strategy group	110,443	110,327
Planning knowledge exchange	76,927	78,225
Self-regulation strategy group	50,180	52,127
	709,390	785,872

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, 2018.

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 (2017: $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.

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.