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**ONTARIO PROFESSIONAL  
PLANNERS INSTITUTE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**



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## ONTARIO PROFESSIONAL PLANNERS INSTITUTE

### FINANCIAL STATEMENTS

DECEMBER 31, 2019

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## INDEPENDENT AUDITORS' REPORT

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**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, 2019, 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, 2019, 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)

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### *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)

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- 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  
April 3, 2020

ONTARIO PROFESSIONAL PLANNERS INSTITUTE  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2019

Page 4

	2019	2018
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	1,529,485	1,239,803
Investments (Note 2)	2,000,000	2,000,000
Accounts receivable	32,402	33,041
Prepaid expenses	243,697	217,669
	3,805,584	3,490,513
<b>EQUIPMENT (Note 3)</b>	243,951	202,924
<b>TOTAL ASSETS</b>	4,049,535	3,693,437

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2019

	2019	2018
	\$	\$
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	86,984	21,389
HST payable	94,165	111,817
Deferred revenue (Note 4)	1,157,748	1,145,154
	1,338,897	1,278,660
<b>NET ASSETS</b>		
UNRESTRICTED NET ASSETS (Note 6)	1,494,295	1,239,291
CAPITAL RESERVE FUND (Note 6)	241,226	227,026
STRATEGIC FUND (Note 6)	541,579	316,829
INVESTED IN EQUIPMENT (Note 7)	-	202,924
SCHOLARSHIP FUND (Note 5)	206,714	206,003
DISCIPLINE FUND (Note 6)	226,824	222,704
	2,710,638	2,414,777
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>4,049,535</b>	<b>3,693,437</b>

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, 2019

	Unrestricted Net Assets \$	Capital Reserve Fund \$	Strategic Fund \$	Invested In Equipment \$	Scholarship Fund \$	Discipline Fund \$	2019 Total \$	2018 Total \$
Balance, beginning of year	1,239,291	227,026	316,829	202,924	206,003	222,704	2,414,777	1,893,113
Excess of revenues over expenses for the year	352,080	14,200	(75,250)	-	711	4,120	295,861	521,664
Equipment purchases	(90,679)	-	-	90,679	-	-	-	-
Amortization	49,653	-	-	(49,653)	-	-	-	-
Fund transfers (Note 7)	(56,050)	-	300,000	(243,950)	-	-	-	-
<b>Balance, end of year</b>	<b>1,494,295</b>	<b>241,226</b>	<b>541,579</b>	<b>-</b>	<b>206,714</b>	<b>226,824</b>	<b>2,710,638</b>	<b>2,414,777</b>

See accompanying notes to the financial statements



ONTARIO PROFESSIONAL PLANNERS INSTITUTE  
**STATEMENT OF OPERATIONS**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

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	2019	2018
	\$	\$
<b>REVENUES</b>		
<b>Operations</b>		
Membership fees (Schedule I)	1,781,305	1,682,142
Magazine advertising and job postings	242,850	279,471
Other fees	196,973	207,164
Professional development	105,789	63,525
Interest	18,675	16,040
Consultants directory	14,250	12,150
Other	5,222	3,243
	2,365,064	2,263,735
<b>Strategic Fund</b>		
Conference	668,445	-
Districts	19,589	28,736
Interest	5,861	1,218
Symposium	-	283,750
	693,895	313,704
<b>Capital Reserve Fund</b>		
Job postings	23,675	27,584
Interest	4,200	1,293
	27,875	28,877
<b>Discipline Fund</b>		
Interest	4,120	1,257
<b>Scholarship Fund</b>		
Interest	3,811	918
Scholarship contributions	1,400	1,980
	5,211	2,898
<b>Total Revenues</b>	<b>3,096,165</b>	<b>2,610,471</b>

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE  
**STATEMENT OF OPERATIONS**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	\$	\$
<b>EXPENSES</b>		
<b>Operations</b>		
General administration (Schedule III)	462,787	448,146
Communications, marketing & recognition	341,307	310,316
Office (Schedule II)	309,728	293,807
Quality practice strategy group	194,855	174,789
Governance, executive & nominating (Schedule IV)	185,831	177,904
Professional regulation strategy group	162,861	96,509
District leadership teams	107,004	95,080
Planning knowledge exchange	90,541	85,242
Professional standards & registration	63,669	68,418
Planning issues strategy group	60,755	30,418
Discipline	33,646	39,525
	2,012,984	1,820,154
<b>Strategic Fund</b>		
Conference	666,089	-
Digital media/Plan ON awards	61,272	-
Indigenous Task Force	37,784	-
District leadership teams	4,000	4,000
Symposium	-	229,569
Strategic planning	-	10,000
	769,145	243,569

ONTARIO PROFESSIONAL PLANNERS INSTITUTE  
**STATEMENT OF OPERATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2019

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	2019	2018
	\$	\$
<b>Capital Reserve Fund</b>		
Postage	8,675	12,584
Office	5,000	5,000
	13,675	17,584
<b>Scholarship Fund</b>		
Scholarships	4,500	7,500
<b>Total Expenses</b>	2,800,304	2,088,807
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	295,861	521,664

See accompanying notes to the financial statements

	2019	2018
	\$	\$
<b>SCHEDULE I</b>		
<b>Membership Fees</b>		
Full	1,303,055	1,235,205
Candidate	292,394	256,692
Pre-candidate	101,743	106,936
Student	25,928	28,927
Non-practicing	22,802	23,089
Retired	21,683	18,879
Candidate (Provisional)	10,595	9,222
Public subscriber	3,105	3,193
	<b>1,781,305</b>	<b>1,682,142</b>

**SCHEDULE II**

**Office**

Credit card and bank charges	81,507	71,249
Rent and utilities	68,501	67,606
Equipment leases	50,461	49,021
Amortization	49,653	46,961
Stationery and supplies	18,796	24,596
Computer operations	12,420	12,420
Telephone	13,947	9,571
Courier	3,927	5,178
Duplicating and printing	2,599	3,010
Miscellaneous	6,062	2,395
Payroll services	1,855	1,800
	<b>309,728</b>	<b>293,807</b>

	2019	2018
	\$	\$
<b>SCHEDULE III</b>		
<b>General Administration</b>		
Wages and benefits	250,059	235,999
Insurance	187,662	193,867
Legal and audit fees	17,899	9,238
Staff travel	5,170	7,258
Publication and merchandise sales	1,997	1,784
	462,787	448,146

**SCHEDULE IV**

<b>Governance, Executive &amp; Nominating</b>		
Wages and benefits	117,756	116,733
Council meetings	31,256	33,567
Strategic planning	16,639	5,939
Conferences	10,884	7,696
Executive	5,349	3,650
CIP conference	2,481	1,053
Nominations	879	4,054
Council awards	308	191
Governance working group meetings	279	101
Miscellaneous Council	-	720
Honorarium	-	1,250
Annual general meeting	-	2,950
	185,831	177,904

ONTARIO PROFESSIONAL PLANNERS INSTITUTE  
**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED DECEMBER 31, 2019

Page 12

	2019	2018
	\$	\$
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Cash receipts from membership fees	1,793,599	1,780,946
Cash receipts from Journal and job advertisements	267,164	304,394
Cash receipts from professional development	105,789	63,525
Cash receipts from annual conference/symposium	668,445	283,750
Other cash receipts	217,845	224,537
Cash receipts from Districts	19,589	28,736
Interest received	36,667	20,726
Cash paid to suppliers and employees	(2,728,737)	(2,197,617)
	380,361	508,997
<b>CASH FROM INVESTING ACTIVITIES</b>		
(Purchase) sale of investments	-	(500,000)
<b>CASH FROM FINANCING ACTIVITIES</b>		
Purchase of equipment	(90,679)	(30,163)
Change in cash	289,682	(21,166)
Cash, beginning of year	1,239,803	1,260,969
Cash, end of year	1,529,485	1,239,803

See accompanying notes to the financial statements

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## PURPOSE OF THE ORGANIZATION

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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

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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.

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1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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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 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.

Continued...



**2. INVESTMENTS**

The investments are summarized as follows:

	2019 \$	2018 \$
RBC business savings account, 1.60%	1,000,000	1,000,000
GIC, 2.01%, maturing October 16, 2020	1,000,000	-
GIC, 2.9%, maturing October 15, 2019	-	1,000,000
	2,000,000	2,000,000

**3. EQUIPMENT**

	2019		2018	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Equipment	164,932	145,201	163,592	140,436
Computer equipment	737,123	515,844	647,784	471,692
Leasehold improvements	55,022	52,081	55,022	51,346
	957,077	713,126	866,398	663,474
Net book value		243,951		202,924

Continued...

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**4. DEFERRED REVENUE**

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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**

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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.

	2019	2018
	\$	\$
Balance, beginning of year	206,003	110,605
Contributions	1,400	1,980
Interest income	3,811	918
Scholarships	(4,500)	(7,500)
Fund transfer	-	100,000
<hr/>		
Balance, end of year	206,714	206,003

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

Northern District - in lieu of speaker gift - \$50  
2019 conference donation in lieu of speaker gift - \$1,250  
Lee Anne Doyle donation - \$100

Continued...

## 6. NET ASSETS

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### **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.

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6. NET ASSETS (Continued)

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**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. INVESTED IN EQUIPMENT

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The invested in equipment balance of \$243,950 was transferred to unrestricted net assets as separate disclosure of invested in equipment is no longer required under Canadian accounting standards for not-for-profit organizations.

8. COMMITMENTS

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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:

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 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, 2019 is \$237,240.

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9. **ALLOCATION OF WAGE EXPENSE**

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Wages have been allocated as follows:

	2019	2018
	\$	\$
Planning issues strategy group	8,164	4,502
Professional standards & registration	32,483	36,000
Governance, Executive & Nominating	117,756	116,733
Discipline	25,053	26,298
Communications, marketing & recognition	136,561	139,762
District leadership teams	74,585	60,431
General administration	94,162	88,114
Quality practice strategy group	109,592	110,443
Planning knowledge exchange	85,848	76,927
Self-regulation strategy group	47,618	50,180
	<hr/>	<hr/>
	731,822	709,390

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10. **FINANCIAL INSTRUMENTS**

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The Institute is exposed to various risks through its financial instruments. The following presents the Institute's exposures and concentrations at December 31, 2019.

**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 (2018: \$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)**

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**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.