

**ONTARIO PROFESSIONAL
PLANNERS INSTITUTE**

FINANCIAL STATEMENTS

DECEMBER 31, 2020

ONTARIO PROFESSIONAL PLANNERS INSTITUTE

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEX	PAGE
Independent Auditors' Report	1 - 3
Statement of Financial Position	4 - 5
Statement of Net Assets	6
Statement of Operations	7 - 9
Schedules to Statement of Operations	10 - 11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 20

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, 2020, 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, 2020, 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
April XXX, 2021

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

Page 4

	2020	2019
	\$	\$
ASSETS		
CURRENT		
Cash	1,913,095	1,529,485
Investments (Note 2)	2,500,000	2,000,000
Accounts receivable	48,699	32,402
Prepaid expenses	24,422	243,697
	4,486,216	3,805,584
EQUIPMENT (Note 3)	311,415	243,951
TOTAL ASSETS	4,797,631	4,049,535

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

Page 5

	2020	2019
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	64,566	86,984
HST payable	143,796	94,165
Deferred revenue (Note 4)	1,175,377	1,157,748
	1,383,739	1,338,897
NET ASSETS		
UNRESTRICTED NET ASSETS (Note 6)	2,086,124	1,494,295
CAPITAL RESERVE FUND (Note 6)	254,483	241,226
STRATEGIC FUND (Note 6)	640,144	541,579
SCHOLARSHIP FUND (Note 5)	203,255	206,714
DISCIPLINE FUND (Note 6)	229,886	226,824
	3,413,892	2,710,638
TOTAL LIABILITIES AND NET ASSETS	4,797,631	4,049,535

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, 2020

	Unrestricted Net Assets \$	Capital Reserve Fund \$	Strategic Fund \$	Scholarship Fund \$	Discipline Fund \$	2020 Total \$	2019 Total \$
Balance, beginning of year	1,494,295	241,226	541,579	206,714	226,824	2,710,638	2,414,777
Excess of revenues over expenses for the year	591,829	13,257	98,565	(3,459)	3,062	703,254	295,861
Balance, end of year	2,086,124	254,483	640,144	203,255	229,886	3,413,892	2,710,638

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
	\$	\$
REVENUES		
Operations		
Membership fees (Schedule I)	1,893,068	1,781,305
Government assistance (Note 7)	267,776	-
Other fees	197,166	196,973
Magazine advertising and job postings	181,899	242,850
Professional development	62,675	105,789
Consultants directory	13,200	14,250
Interest	11,078	18,675
Other	7,904	5,222
	2,634,766	2,365,064
Strategic Fund		
Conference	318,566	668,445
Districts	24,026	19,589
Interest	7,311	5,861
	349,903	693,895
Capital Reserve Fund		
Job postings	22,811	23,675
Interest	3,257	4,200
	26,068	27,875
Discipline Fund		
Interest	3,062	4,120
Scholarship Fund		
Interest	2,791	3,811
Scholarship contributions	1,250	1,400
	4,041	5,211
Total Revenues	3,017,840	3,096,165

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
	\$	\$
EXPENSES		
Operations		
General administration (Schedule III)	507,287	462,787
Communications, marketing & recognition	365,345	341,307
Office (Schedule II)	328,317	309,728
Governance, executive & nominating (Schedule IV)	149,385	185,831
Quality practice strategy group	147,290	194,855
Professional regulation strategy group	106,651	162,861
District leadership teams	95,771	107,004
Discipline	93,510	33,646
Planning knowledge exchange	92,135	90,541
Professional standards & registration	91,430	63,669
Planning issues strategy group	65,816	60,755
	2,042,937	2,012,984
Strategic Fund		
Conference	208,551	666,089
Branding/marketing	22,647	-
Strategic planning	13,610	-
District leadership teams	4,000	4,000
Event sponsorship	2,530	-
Indigenous Task Force	-	37,784
Digital media/Plan ON awards	-	61,272
	251,338	769,145

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Page 9

	2020	2019
	\$	\$
Capital Reserve Fund		
Postage	7,811	8,675
Office	5,000	5,000
	12,811	13,675
Scholarship Fund		
Scholarships	7,500	4,500
Total Expenses	2,314,586	2,800,304
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	703,254	295,861

See accompanying notes to the financial statements

	2020	2019
	\$	\$
SCHEDULE I		
Membership Fees		
Full	1,371,918	1,303,055
Candidate	336,009	292,394
Pre-candidate	105,754	101,743
Student	21,738	25,928
Non-practicing	24,209	22,802
Retired	24,785	21,683
Candidate (Provisional)	5,268	10,595
Public subscriber	3,387	3,106
	1,893,068	1,781,305

SCHEDULE II

Office		
Credit card and bank charges	77,770	81,507
Rent and utilities	68,896	68,501
Amortization	61,707	49,653
Equipment leases	52,093	50,461
Stationery and supplies	18,887	18,796
Telephone	17,316	13,947
Computer operations	12,420	12,420
Office	10,000	-
Miscellaneous	5,721	6,062
Payroll services	1,998	1,855
Courier	1,117	3,927
Duplicating and printing	392	2,599
	328,317	309,728

	2020	2019
	\$	\$
SCHEDULE III		
General Administration		
Wages and benefits	295,225	250,059
Insurance	188,141	187,662
Legal and audit fees	22,818	17,899
Staff travel	991	5,170
Publication and merchandise sales	112	1,997
	507,287	462,787

SCHEDULE IV

Governance, Executive & Nominating		
Wages and benefits	132,720	117,756
Strategic planning	4,500	16,639
Nominations	5,850	879
Governance working group meetings	4,355	279
Executive	939	5,349
Conferences	521	10,884
Membership	276	-
Council awards	142	308
Council meetings	82	31,256
CIP conference	-	2,481
	149,385	185,831

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Cash receipts from membership fees	1,910,697	1,793,599
Cash receipts from Journal and job advertisements	214,341	267,164
Cash receipts from Government assistance	241,848	-
Cash receipts from professional development	62,675	105,789
Cash receipts from annual conference	318,566	668,445
Other cash receipts	219,520	217,845
Cash receipts from Districts	24,026	19,589
Interest received	27,499	36,667
Cash paid to suppliers and employees	(2,006,391)	(2,728,737)
	1,012,781	380,361
CASH FROM INVESTING ACTIVITIES		
(Purchase) sale of investments	(500,000)	-
CASH FROM FINANCING ACTIVITIES		
Purchase of equipment	(129,171)	(90,679)
Change in cash	383,610	289,682
Cash, beginning of year	1,529,485	1,239,803
Cash, end of year	1,913,095	1,529,485

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 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:

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 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.

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:

	2020	2019
	\$	\$
RBC business savings account, 1.60%	-	1,000,000
GIC, 2.01%, maturing October 16, 2020	-	1,000,000
GIC, 1.6%, maturing December 31, 2020	1,250,000	-
GIC, 1.10%, maturing October February 1, 2021	750,000	-
GIC, .70%, maturing May 5, 2021	500,000	-
	2,500,000	2,000,000

3. EQUIPMENT

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Equipment	164,932	149,147	164,932	145,201
Computer equipment	866,294	573,017	737,123	515,844
Leasehold improvements	55,022	52,669	55,022	52,081
	1,086,248	774,833	957,077	713,126
Net book value		311,415		243,951

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.

	2020	2019
	\$	\$
Balance, beginning of year	206,714	206,003
Contributions	1,250	1,400
Interest income	2,791	3,811
Scholarships	(7,500)	(4,500)
Balance, end of year	203,255	206,714

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 - \$1,200

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. GOVERNMENT ASSISTANCE

During the fiscal year, the Institute received Canada Emergency Wage Subsidy (CEWS) of \$267,776. \$25,928 of the subsidy is included in the year-end accounts receivable.

The CEWS serves 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 is temporary and is available from March 15, 2020 to June, 2021 to eligible employers.

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:

2021	\$16,400
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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, 2020 is \$197,700.

Continued...

9. ALLOCATION OF WAGE EXPENSE

Wages have been allocated as follows:

	2020	2019
	\$	\$
Planning issues strategy group	5,974	8,164
Professional standards & registration	55,864	32,483
Governance, Executive & Nominating Discipline	132,720	117,756
Communications, marketing & recognition	39,899	25,053
District leadership teams	149,960	136,561
General administration	73,103	74,585
Quality practice strategy group	102,771	94,162
Planning knowledge exchange	85,934	109,592
Self-regulation strategy group	85,009	85,848
	47,441	47,618
	<hr/>	<hr/>
	778,675	731,822

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, 2020.

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 (2019: \$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...

10. FINANCIAL INSTRUMENTS (Continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Institute is not exposed to foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute has a low interest rate risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Institute is not exposed to other price risk.

11. 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 April XXX, 2021, 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.