

**ONTARIO PROFESSIONAL
PLANNERS INSTITUTE**

**FINANCIAL STATEMENTS
DECEMBER 31, 2022**

ONTARIO PROFESSIONAL PLANNERS INSTITUTE

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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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, 2022, 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, 2022, 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
August 11, 2023

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

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	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash	3,503,749	2,474,786
Investments (Note 2)	2,623,978	2,510,776
Accounts receivable	43,939	53,181
Prepaid expenses	33,312	44,426
HST recoverable	63,657	-
	6,268,635	5,083,169
EQUIPMENT (Note 3)	500,495	254,504
TOTAL ASSETS	6,769,130	5,337,673

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

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	2022	2021
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	337,209	123,277
Due to Canadian Institute of Planners (Note 4)	595,865	-
Due to BMS insurance (Note 4)	200,712	143,568
HST payable	-	133,225
Deferred revenue (Note 5)	1,306,767	895,788
	2,440,553	1,295,858
NET ASSETS		
UNRESTRICTED NET ASSETS (Note 7)	2,244,277	1,594,295
CAPITAL RESERVE FUND (Note 7)	281,974	634,974
STRATEGIC FUND (Note 7)	1,039,833	1,039,833
SCHOLARSHIP FUND (Note 6)	295,875	306,095
DISCIPLINE FUND (Note 7)	466,618	466,618
	4,328,577	4,041,815
TOTAL LIABILITIES AND NET ASSETS	6,769,130	5,337,673

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, 2022

	Unrestricted Net Assets \$	Capital Reserve Fund \$	Strategic Fund \$	Scholarship Fund \$	Discipline Fund \$	2022 Total \$	2021 Total \$
Balance, beginning of year	1,594,295	634,974	1,039,833	306,095	466,618	4,041,815	3,413,892
Excess of revenues over expenses for the year	296,982	-	-	(10,220)	-	286,762	627,923
Fund transfers (Note 7)	353,000	(353,000)	-	-	-	-	-
Balance, end of year	2,244,277	281,974	1,039,833	295,875	466,618	4,328,577	4,041,815

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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	2022	2021
	\$	\$
REVENUES		
Operations		
Membership fees	1,981,272	1,912,558
Annual conference/symposium	686,315	-
Magazine advertising and job postings	338,576	426,155
Insurance and other membership charges	319,480	235,932
Professional development	48,928	22,853
Interest	19,107	9,042
Consultants directory	11,925	13,350
Other	6,190	4,855
	3,411,793	2,624,745
Strategic Fund		
Conference	-	393,621
Districts	-	-
Interest	-	-
	-	393,621
Capital Reserve Fund		
Job postings	-	35,000
Interest	-	-
	-	35,000
Discipline Fund		
Interest	-	-
Scholarship Fund		
Forum Friday	-	-
Scholarship contributions	5,280	7,340
Interest	-	-
	5,280	7,340
Total Revenues	3,417,073	3,060,706

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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	2022	2021
	\$	\$
EXPENSES		
Operations		
General administration	760,575	520,713
Office	550,668	424,329
Conference	494,828	-
Communications, marketing & recognition	475,816	382,470
Governance, executive & nominating	218,466	175,467
Professional regulation strategy group	132,816	118,322
Quality practice strategy group	106,524	128,111
Professional standards & registration	97,780	95,316
Discipline	87,027	93,875
District leadership teams	79,886	58,189
Planning knowledge exchange	69,196	68,912
Planning issues strategy group	41,229	77,779
	3,114,811	2,143,483
Strategic Fund		
Conference	-	187,219
Strategic planning	-	83,645
Event sponsorship	-	4,330
	-	275,194

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

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	2022	2021
	\$	\$
Capital Reserve Fund		
Office	-	5,000
Postage	-	4,606
	-	9,606
Scholarship Fund		
Scholarships	15,500	4,500
Total Expenses	3,130,311	2,432,783
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	286,762	627,923

See accompanying notes to the financial statements

ONTARIO PROFESSIONAL PLANNERS INSTITUTE
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Cash receipts from membership fees	2,392,251	1,776,537
Cash receipts from magazine advertising and job postings	347,818	430,745
Cash receipts from Government assistance	-	25,928
Cash receipts from professional development	48,928	22,853
Cash receipts from annual conference	686,315	393,621
Other cash receipts	342,875	254,337
Interest received	19,107	9,042
Cash paid to suppliers and employees	(2,342,616)	(2,331,527)
	1,494,678	581,536
CASH FROM INVESTING ACTIVITIES		
(Purchase) sale of investments	(113,202)	(10,776)
CASH FROM FINANCING ACTIVITIES		
Purchase of equipment	(352,513)	(9,069)
Change in cash	1,028,963	561,691
Cash, beginning of year	2,474,786	1,913,095
Cash, end of year	3,503,749	2,474,786

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

The Institute is incorporated as a not-for-profit organization without share capital under Part II of the Canada Corporation Act.

The objectives of the Institute are:

To promote, maintain and regulate high standards of professional planning practice and ethical behaviour.

To further the recognition of the planning profession in Ontario

The Institute is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from corporate income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The Institute initially measures its financial assets and financial liabilities at fair value. The Institute subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment and Amortization

Equipment is recorded at acquisition cost. Amortization is provided at the following annual rates:

Equipment	7 years straight line
Computer equipment	5 years straight line

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:

	2022 \$	2021 \$
RBC premium investment account, 3.35%	2,123,978	2,010,776
GIC, 1.65%, maturing July 7, 2023	500,000	-
GIC, .52%, maturing May 6, 2022	-	500,000
	2,623,978	2,510,776

3. EQUIPMENT

	2022		2021	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Equipment & furniture	130,893	18,699	164,932	152,304
Computer equipment	965,709	699,931	875,363	633,486
Leasehold improvements	186,296	63,773	55,022	55,023
	1,282,898	782,403	1,095,317	840,813
Net book value		500,495		254,504

Continued...

4. DUE TO CANADIAN INSTITUTE OF PLANNERS (CIP)

The \$595,865 represents the CIP membership dues collected by OPPI on behalf of CIP.

The \$200,712 represents the BMS Insurance premium for Errors and Omissions Coverage collected by OPPI on behalf of BMS.

5. DEFERRED REVENUE

The deferred revenue includes the following received for the next fiscal year.

	2022	2021
	\$	\$
Membership fees	1,300,272	869,678
Course fees	6,495	-
Journal advertising	-	26,110
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Balance, end of year	1,306,767	895,788

6. 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.

	2022	2021
	\$	\$
Balance, beginning of year	306,095	203,255
Contributions	1,050	200
Forum Friday	4,230	7,140
Scholarships	(15,500)	(4,500)
Fund transfer	-	100,000
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Balance, end of year	295,875	306,095

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7. NET ASSETS

Operating Reserve

The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of OPPI for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Fund is defined as a designated fund set aside by action of the OPPI Council Directors. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations and programs measured for a set period of time, measured in months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes.

The target minimum Operating Reserve Fund is equal to at least six months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The amount of the target minimum will be calculated each year after approval of the annual budget by the OPPI Council.

Capital Reserve

The Capital Reserve is intended to provide a ready source of funds for repair or acquisition of leaseholds, furniture, fixtures, and equipment necessary for the effective operation of the Institute and programs.

The Capital Reserve fund is augmented by an annual allocation of \$10,000. The goal of this fund is to be 10% of the operating budget. The fund shall be decreased by the amount required to fund the purchase of any capital assets acquired during the year. The fund balance is to be conservatively invested based on Operational Policy 4.9 Investments and the investment income is to be accumulated in the fund. \$353,000 of the fund was used in the 2022 fiscal year for the costs incurred for the Institute's office.

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...

7. **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.

8. **COMMITMENTS**

The Institute is committed to minimum amount rentals under a long-term lease for premises for the period April 1, 2022 to March 31, 2037. Minimum rental commitments remaining by the lease term are as follows:

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

The Institute is also responsible for its proportionate share of operating costs, realty taxes and hydro charges. These annual costs have been estimated to be approximately \$75,000.

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, 2022 is \$118,160.

Continued...

9. ALLOCATION OF WAGE EXPENSE

Wages have been allocated as follows:

	2022	2021
	\$	\$
Planning issues strategy group	7,419	6,094
Professional standards & registration	73,884	61,463
Governance, Executive & Nominating Discipline	141,043	128,020
Communications, marketing & recognition	47,003	41,950
District leadership teams	196,555	160,473
General administration	61,192	57,781
Quality practice strategy group	154,629	97,206
Planning knowledge exchange	78,392	86,561
Self-regulation strategy group	62,751	68,331
	54,281	53,141
	<hr/>	<hr/>
	877,149	761,020

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, 2022.

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 (2021: \$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.