



**HENDRY
WARREN^{LLP}**
CHARTERED PROFESSIONAL ACCOUNTANTS

200-881 Lady Ellen Place
Ottawa, ON K1Z 5L3
(613) 235-2000
www.hwllp.ca

Financial Statements of

**CANADIAN INSTITUTE OF
PLANNERS**

December 31, 2019



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May 6, 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Canadian Institute of Planners:

Opinion

We have audited the accompanying financial statements of the Canadian Institute of Planners (the "Institute"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and changes in net assets and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the 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 the 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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



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We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 these financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute 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.
- 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.



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- 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 Institute 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.

HENDRY WARREN LLP
Chartered Professional Accountants
Licensed Public Accountants
Ottawa, Ontario

CANADIAN INSTITUTE OF PLANNERS

Statement of Financial Position

December 31, 2019, with comparative figures for 2018

	2019	2018
Assets		
Current assets		
Cash	\$ 2,000,571	\$ 1,718,223
Accounts receivable	241,818	262,275
Prepaid expenses	115,943	82,786
Due from related entity (Note 3)	2,239	3,064
	2,360,571	2,066,348
Capital assets (Note 4)	22,469	27,122
Intangible assets (Note 5)	-	29,444
	\$ 2,383,040	\$ 2,122,914
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued charges	\$ 98,671	\$ 113,314
Government remittance payable	50,729	34,764
Deferred revenue	609,148	494,039
	758,548	642,117
Commitments (Note 6)		
Net assets		
Unrestricted	1,624,492	1,480,797
	\$ 2,383,040	\$ 2,122,914

Approved on behalf of the Board:

Director

CANADIAN INSTITUTE OF PLANNERS

Statement of Operations and Changes in Net Assets

Year ended December 31, 2019, with comparative figures for 2018

	2019	2018
Revenue		
Membership fees	\$ 1,109,632	\$ 1,098,703
Annual conference	691,501	469,915
Member services	234,608	220,404
National projects	68,175	130,856
Investment income	32,617	21,659
	<hr/>	<hr/>
	2,136,533	1,941,537
Expenses		
Administrative expenses	1,097,469	838,680
Amortization	39,861	72,468
Annual conference	505,224	421,648
Bad debts	150	-
Communications	24,698	22,695
Governance	82,064	78,600
International projects	7,949	7,627
Memberships services	191,477	181,373
National projects	43,946	184,526
	<hr/>	<hr/>
	1,992,838	1,807,617
Excess of revenue over expenses	143,695	133,920
Unrestricted net assets, beginning of year	1,480,797	1,346,877
Unrestricted net assets, end of year	<hr/> <hr/> \$ 1,624,492	<hr/> <hr/> \$ 1,480,797

CANADIAN INSTITUTE OF PLANNERS

Cash Flow Statement

Year ended December 31, 2019, with comparative figures for 2018

	2019	2018
Operating activities		
Excess of revenue over expenses	\$ 143,695	\$ 133,920
Non-cash item:		
Amortization expense	39,861	72,468
Changes in working capital balances (Note 8)	103,731	(99,846)
Cash provided by operating activities	287,287	106,542
Investing activities		
Cash from short-term investments	-	611,808
Acquisition of tangible capital assets	(5,764)	-
Repayments from (advance to) related entity	825	(3,064)
Cash (used in) provided by investing activities	(4,939)	608,744
Increase in cash	282,348	715,286
Cash, beginning of year	1,718,223	1,002,937
Cash, end of year	\$ 2,000,571	\$ 1,718,223

CANADIAN INSTITUTE OF PLANNERS

Notes to the Financial Statements

December 31, 2019, with comparative figures for 2018

1. Statutes of incorporation and nature of activities

Canadian Institute of Planners ("CIP" or the "Institute") is incorporated as a not-for-profit organization under Part III of the Not-for-Profit Corporations Act. The Institute was continued under the Canada Not-for-Profit Corporations Act on September 5, 2014. The Institute is a not-for-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income tax under section 149(1)(e) of the Income Tax Act (Canada).

In support of an active and evolving professional planning profession, CIP is involved in a broad range of activities including the development of programs, products, and services that members need and value; the development of public policy positions supported by advocacy and partnerships; and, communication and promotion of the profession, CIP programs, services, and advocacy efforts nationally and internationally.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Institute follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue over the period to which they relate.

Annual conference fees are recognized as revenue in the year in which the related conference occurs and collection is reasonably assured.

Member services are recognized as revenue when the related service is performed, there is persuasive evidence that an arrangement exists and collection is reasonably assured.

National projects revenue is recognized when the related expenses are incurred.

Investment income is recognized when received.

Deferred revenue represents membership fees received in the current period that are related to the subsequent period as well as government funding amounts received in the current period that are related to the subsequent period.

Cash

The Institute's policy is to disclose bank balances under cash, including cash held in high-interest savings accounts with the Institute's financial institution and brokerage accounts.

CANADIAN INSTITUTE OF PLANNERS

Notes to the Financial Statements

December 31, 2019, with comparative figures for 2018

Capital and intangible assets

Capital assets and intangible assets are accounted for at cost. Amortization is based on the assets' respective useful lives using the following methods and rates and durations:

Asset	Method	Rate and duration
<u>Capital assets:</u>		
Computer hardware	Declining balance	50%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Straight-line	Lease term
<u>Intangible assets:</u>		
Institute website	Straight-line	5 years
Member database	Straight-line	5 years

One-half of the annual amount is claimed in the year of acquisition.

Use of estimates

The preparation of these financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Significant estimates in the financial statements include the completeness of accruals for certain amounts receivable and payable.

Financial instruments

Measurement of financial instruments

The Institute initially measures its financial assets and liabilities at fair value.

The Institute subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Financial liabilities measured at amortized cost include accounts payable and accrued charges.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenue over expenses.

CANADIAN INSTITUTE OF PLANNERS

Notes to the Financial Statements

December 31, 2019, with comparative figures for 2018

3. Due from related entity

The balance is due from the Canadian Institute of Planners' Planning Student Trust Fund ("CIP-PSTF"), an organization related through common management and control, and is non-interest bearing with no fixed terms of repayment. In the course of business operations, there are occasions in which Institute pays expenses on behalf of CIP-PSTF, and is then reimbursed by CIP-PSTF. Since the Institute expects to collect the amount prior to January 1, 2021, the amount has been included with current assets.

4. Capital assets

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 46,485	\$ 38,400	\$ 8,085	\$ 7,523
Furniture and equipment	62,991	49,532	13,459	16,824
Leasehold improvements	59,850	58,925	925	2,775
	\$ 169,326	\$ 146,857	\$ 22,469	\$ 27,122

5. Intangible assets

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Institute website	\$ 122,310	\$ 122,310	\$ -	\$ 12,231
Member database	172,135	172,135	-	17,213
	\$ 294,445	\$ 294,445	\$ -	\$ 29,444

6. Commitments

The Institute is committed under the terms of a five-year operating lease for rental of office space until November 2021. Annual minimum annual lease payments for each of the next two years are \$34,104. In addition, the Institute is responsible for its share of annual operating costs which are approximately \$46,296 per year.

The Institute has signed contracts with various venues for the upcoming conferences. At December 31, 2019, the Institute was committed to pay \$57,000 under these contracts.

CANADIAN INSTITUTE OF PLANNERS

Notes to the Financial Statements

December 31, 2019, with comparative figures for 2018

7. Subsequent event

Subsequent to year end, the COVID-19 pandemic was declared, which resulted in the cancellation of the CIP National Conference - Elevation 2020 as well as acute reductions in non-dues revenue programs. As a result, 2020 non-dues revenues will be significantly reduced.

8. Changes in working capital balances

Changes in working capital balances have provided (used) cash as follows:

	2019	2018
Accounts receivable	\$ 20,457	\$ (219,762)
Prepaid expenses	(33,157)	(5,083)
Accounts payable and accrued charges	(14,643)	(45,597)
Government remittance payable	15,965	5,829
Deferred revenue	115,109	164,767
	<hr/>	<hr/>
	\$ 103,731	\$ (99,846)

9. Related party transactions

During the year, the Institute issued a donation to the Canadian Institute of Planners' Planning Student Trust Fund ("CIP-PSTF"), an organization with common management and control, of \$5,000 (2018: \$Nil). As well, the membership of the Institute paid a levy of \$11,106 (2018: \$11,540) to CIP-PSTF. These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Professional Standards Committee for the Planning Profession of Canada (the "SC") is a joint policy-making body with responsibility to set standards as well as the oversight, maintenance, and revision for the planning profession's certification, accreditation and ethical standards. The SC is not incorporated. The Institute is represented by 1 of 7 members of the SC, and serves as the SC's secretariat by providing administration, financial management, communications and meeting coordination services.

At December 31, 2019, the SC had excess of funds collected over expenses of \$3,980 (2018: \$25,973). This is included in deferred revenue and represents cash that is restricted for the use of the SC's activities. During the year, the Institute had the following transactions with the SC:

- Charged \$11,910 for services performed for the SC (2018: \$8,340); and
- Contributed \$10,132 to the SC (2018: \$12,081).

CANADIAN INSTITUTE OF PLANNERS

Notes to the Financial Statements

December 31, 2019, with comparative figures for 2018

10. Financial instruments

Risk and concentrations

The Institute is exposed to various risks through its financial instruments. The following analysis provides a measure of the risk exposures and concentrations at the statement of financial position date, December 31, 2019.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute's main credit risks relate to its accounts receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Institute is exposed to this risk mainly in respect of its accounts payable and accrued charges and its ability to provide activities related to its deferred revenue.

It is management's opinion that there have been no changes to risks or their concentrations since December 31, 2018.

11. Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's financial statement presentation.