CIP•ICU
Canadian Institute of Planners
Institut canadien des urbanistes

2023 Financial Statements

HENDRY WARREN LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

200-881 Lady Ellen Place
Ottawa, ON K1Z 5L3
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Financial Statements of

CANADIAN INSTITUTE OF PLANNERS

December 31, 2023

HENDRY WARREN LLP
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April 25, 2024

INDEPENDENT AUDITOR'S 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, 2023, and the statements of operations, 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, 2023, 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 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 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 Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- 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 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

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

CANADIAN INSTITUTE OF PLANNERS
Statement of Financial Position

December 31, 2023, with comparative figures for 2022

	2023	2022
Assets		
Current assets		
Cash	$ 2,110,702	$ 2,088,674
Short-term investments (Note 3)	1,135,669	1,081,052
Accounts receivable	424,647	178,292
Government remittances receivable	-	4,842
Prepaid expenses	103,774	116,123
Due from related entity	-	15,940
	3,774,792	3,484,923
Capital assets (Note 4)	42,023	42,214
Intangible assets (Note 5)	199,568	143,840
	$ 4,016,383	$ 3,670,977
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued charges	$ 211,214	$ 182,092
Government remittances payable	52,858	-
Deferred fees	671,897	424,389
Current portion of long-term debt (Note 6)	-	40,000
Due to related entity (Note 7)	205	-
	936,174	646,481
Commitments (Note 8)		
Net assets		
Unallocated surplus	1,640,424	1,941,417
Unrestricted funds - operating reserve	1,042,170	714,309
Internally restricted funds - opportunity reserve	297,615	268,770
Internally restricted funds - legal reserve	100,000	100,000
	3,080,209	3,024,496
	$ 4,016,383	$ 3,670,977

Approved on behalf of the Board:

Director

See accompanying notes to the financial statements.

CANADIAN INSTITUTE OF PLANNERS

Statement of Operations

Year ended December 31, 2023, with comparative figures for 2022

	2023	2022
Revenue		
Membership fees	$ 1,635,707	$ 1,375,765
Annual conference	702,959	723,328
Member services	288,817	371,404
Investment income	103,454	50,756
Other income	-	20,516
External partnerships	-	6,916
	2,730,937	2,548,685
Expenses		
Administrative expenses	1,552,824	1,148,142
Amortization	67,648	53,020
Annual conference	652,504	654,034
Bad debts	1,524	2,350
Communications	36,032	39,378
Governance	81,887	81,626
Membership services	219,372	123,561
National projects	65,052	16,768
Strategic relationships	38,810	18,480
	2,715,653	2,137,359
Excess of revenue over expenses before gain (loss) on investments	15,284	411,326
Gain (loss) on investments	40,429	(151,994)
Excess of revenue over expenses	$ 55,713	$ 259,332

See accompanying notes to the financial statements.

CANADIAN INSTITUTE OF PLANNERS

Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative figures for 2022

2023

	Unallocated Surplus	Operating Reserve	Opportunity Reserve	Legal Reserve	Total
Balance, beginning of year	$ 1,941,417	$ 714,309	$ 268,770	$ 100,000	$ 3,024,496
Excess of revenue over expenses	55,713	-	-	-	55,713
Transfer to internally restricted reserves	(356,706)	327,861	28,845	-	-
Balance, end of year	$ 1,640,424	$ 1,042,170	$ 297,615	$ 100,000	$ 3,080,209

2022

	Unallocated Surplus	Operating Reserve	Opportunity Reserve	Legal Reserve	Total
Balance, beginning of year	$ 1,773,478	$ 666,324	$ 225,362	$ 100,000	$ 2,765,164
Excess of revenue over expenses	259,332	-	-	-	259,332
Transfer to internally restricted reserves	(91,393)	47,985	43,408	-	-
Balance, end of year	$ 1,941,417	$ 714,309	$ 268,770	$ 100,000	$ 3,024,496

CANADIAN INSTITUTE OF PLANNERS

Cash Flow Statement

Year ended December 31, 2023, with comparative figures for 2022

	2023	2022
Operating activities		
Excess of revenue over expenses	$ 55,713	$ 259,332
Non-cash items:		
Amortization expense	67,648	53,020
Loan forgiveness	-	(20,000)
Fair market value adjustment on short-term investments	(40,429)	151,994
Changes in non-cash working capital balances (Note 9)	100,324	(194,330)
Cash provided by operating activities	183,256	250,016
Investing activities		
Sale (purchase) of short-term investments	14,188	(22,424)
Acquisition of capital assets	(5,071)	(43,718)
Acquisition of intangible assets	(114,610)	(88,350)
Advances to related entity	(15,940)	(15,940)
Cash used in investing activities	(121,433)	(170,432)
Financing activities		
Repayment of long-term debt	(40,000)	-
Repayment from (to) related entity	205	(10,342)
Cash used in financing activities	(39,795)	(10,342)
Increase in cash	22,028	69,242
Cash, beginning of year	2,088,674	2,019,432
Cash, end of year	$ 2,110,702	$ 2,088,674

See accompanying notes to the financial statements.

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 municipal 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 and when collection is reasonably assured.

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.

Investment income is recognized when received.

Deferred fees represents membership fees received in the current period that are related to the subsequent period.

Cash

The Institute's policy is to disclose bank balances net of outstanding items under cash, including cash held in high-interest savings accounts with the Institute's financial institution and brokerage accounts, and GIC balances redeemable within 12 months.

Capital assets

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

Asset	Method	Duration
Computer hardware	Straight-line	5 years
Furniture and equipment	Straight-line	10 years
Leasehold improvements	Straight-line	Lease term

Intangible assets

Intangible assets are accounted for at cost. Amortization is expensed once the asset is ready for use. The MPower AMS database and the Institute website are amortized on a straight line basis over five years.

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 accounts receivable, accounts payable and accrued charges, and the useful lives of capital and intangible assets.

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, except for short-term investments that are quoted in an active market, which are measured at their fair value. Changes in fair values 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 and accrued charges.

Impairment
Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in excess of revenue over expenses. Any 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 any reversal is recognized in the excess of revenue over expenses.

3. Short-term investments

At December 31, 2023, short-term investments were comprised of the following:

	2023	2022
Equities	$ 260,050	$ 252,466
Mutual funds	164,602	141,293
Fixed income	711,017	687,293
	$ 1,135,669	$ 1,081,052

4. Capital assets

			2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	$ 65,311	$ 54,308	$ 11,003	$ 14,417
Furniture and equipment	97,381	69,258	28,123	25,166
Leasehold improvements	64,294	61,397	2,897	2,631
	$ 226,986	$ 184,963	$ 42,023	$ 42,214

5. Intangible assets

			2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Institute website	$ 114,610	$ 22,922	$ 91,688	$ -
MPower AMS	179,800	71,920	107,880	143,840
	$ 294,410	$ 94,842	$ 199,568	$ 143,840

6. Long-term debt

	2023	2022
Canada Emergency Business Account, non-interest bearing, repaid in the year	$ -	$ 40,000

7. Due to related entity

The balance is due to the Canadian Institute of Planners' Planning Student Trust Fund ("CIP-PSTF"), an organization related through common management and control, and was non-interest bearing with no fixed terms of repayment. Since the amount is expected to be repaid prior to January 1, 2025, the amount has been included with current liabilities.

8. Commitments

The Institute is committed under the terms of a five-year operating lease for rental of office space until November 2027. Annual minimum lease payments for the next four years are as per the table below. In addition, the Institute is responsible for its share of annual operating costs which are approximately $53,620 per year.

		Premises
2024	$	42,630
2025		42,630
2026		42,630
2027		39,078
	$	166,968

The Institute has signed contracts with various venues for the upcoming conferences. At December 31, 2023, the Institute was committed to pay an additional $40,000 (2022: $19,000) under these contracts.

9. Changes in non-cash working capital balances

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

		2023		2022
Accounts receivable	$	(246,355)	$	16,911
Government remittance receivable		4,842		(4,842)
Temporary government support receivable		-		81,229
Prepaid expenses		12,349		515
Accounts payable and accrued charges		29,122		58,683
Government remittance payable		52,858		(46,416)
Deferred fees		247,508		(300,410)
	$	100,324	$	(194,330)

10. Credit facility

During the year, the Institute had VISA Business credit available to a maximum of $42,500 (2022: $37,500). At December 31, 2023, there was $23,685 (2022: $9,368) outstanding under this facility and included in accounts payable and accrued charges on the statement of financial position.

11. Related entity transactions

During the year, the membership of the Institute paid a levy to the CIP-PSTF, an organization with common management and control, of $13,500 (2022: $12,000), made a donation of $6,000 (2022: $Nil), and paid expenses on behalf of CIP-PSTF of $19,794 (2022: $Nil). These transactions are 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, 2023, the SC had excess of funds collected over expenses of $20,081 (2022: $50,103). This is included in deferred fees 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:

- Contributed $7,005 to the SC (2022: $818); and,
- Charged $4,990 for services performed for the SC (2022: $15,510).

12. 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, 2023.

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, long-term debt, and its ability to provide activities related to its deferred fees.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute is exposed to interest rate risk on its short-term investments.

Other price risk

Other price risk is the risk that the fair value of 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 exposed to other price risk through its investments in quoted shares.

It is management's opinion that there have been no changes to risks or their concentrations since December 31, 2022.

13. Unrestricted and internally restricted reserves

The Institute maintains various reserves as described below.

Unallocated surplus represents the result of operations. The entirety of excess revenues over expenses are initially allocated to this net asset reserve.

The Operating Reserve is an unrestricted reserve intended to protect the Institute against extraordinary events through internally sourced funding for situations such as a sudden increase in expenses, one-time unbudgeted expenses, and unforeseen events. The reserve is funded with unallocated surplus. In addition, the Board of Directors may direct a specific source of revenue to be set aside for this fund.

The Opportunity Reserve is an internally restricted reserve intended to provide the Institute with the flexibility to pursue an opportunity or need that furthers the mission of the Institute. The Opportunity Reserve is also intended as a source of internal funds for organizational capacity building such as staff development, market research, or investment in infrastructure that will build long-term capacity.

The Legal Reserve is an internally restricted reserve established to mitigate the contingent liability associated with litigation, defence, or representation for the Institute in any significant legal action or dispute, not including normal operational legal expenses. Unless otherwise instructed by the Board of Directors, significant is defined as having, or likely to have influence or effect equal to or greater than five percent of the prior year excess of revenues over expenses as reported on the annual financial statements.

Both the Opportunity Reserve and the Legal Reserve are funded with special designations made by the Board of Directors from unallocated surplus.