

FINANCIAL STATEMENTS
For
CANADIAN INSTITUTE OF PLANNERS
For year ended
DECEMBER 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the directors of

CANADIAN INSTITUTE OF PLANNERS*Opinion*

We have audited the financial statements of Canadian Institute of Planners (the Institute), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and 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 the Institute as at December 31, 2025 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 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.

Emphasis of Matter - Restatement of Comparative Information

We draw attention to Note to the financial statements, which describes the restatement of the comparative information for the year ended December 31, 2024. The comparative figures have been restated to recognize membership fee receivables and the related deferred revenue for amounts collected by certain provincial bodies on behalf of the Institute prior to year end that were not previously recorded. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Institute for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 6, 2025.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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.
- 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.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
May 7, 2026.

Welch LLP®

CANADIAN INSTITUTE OF PLANNERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u> (note 12)
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,746,316	\$ 2,042,619
Short-term investments (note 4)	798,108	968,217
Accounts receivable (notes 8 and 12)	1,805,924	1,297,493
Government remittances receivable	-	7,711
Prepaid expenses	<u>254,731</u>	<u>243,068</u>
	4,605,079	4,559,108
CAPITAL ASSETS (note 5)	35,952	41,398
INTANGIBLE ASSETS (note 6)	<u>83,140</u>	<u>142,690</u>
	<u>\$ 4,724,171</u>	<u>\$ 4,743,196</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (notes 8 and 11)	\$ 228,360	\$ 283,573
Deferred revenue (note 12)	1,794,001	1,385,034
Deferred contributions (note 7)	41,250	-
Government remittances payable	<u>7,525</u>	<u>-</u>
	<u>2,071,136</u>	<u>1,668,607</u>
NET ASSETS		
Unallocated surplus (note 9)	-	1,263,764
Unrestricted funds - operating reserve	2,014,309	1,324,002
Internally restricted funds - opportunity reserve	502,143	386,823
- legal reserve	<u>136,583</u>	<u>100,000</u>
	<u>2,653,035</u>	<u>3,074,589</u>
	<u>\$ 4,724,171</u>	<u>\$ 4,743,196</u>

Approved by the Board:

Lesley Cabasto

..... Director

..... Director

(See accompanying notes)

CANADIAN INSTITUTE OF PLANNERS
STATEMENTS OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	2025				Total
	<u>Unallocated Surplus</u>	<u>Operating Reserve</u>	<u>Opportunity Reserve</u>	<u>Legal Reserve</u>	
Balance, beginning of year	\$ 1,263,764	\$ 1,324,002	\$ 386,823	\$ 100,000	\$ 3,074,589
Total revenue (expense)	(421,554)	-	-	-	(421,554)
Transfer to internally restricted reserves (note 9)	<u>(842,210)</u>	<u>690,307</u>	<u>115,320</u>	<u>36,583</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 2,014,309</u>	<u>\$ 502,143</u>	<u>\$ 136,583</u>	<u>\$ 2,653,035</u>

	2024				Total
	<u>Unallocated Surplus</u>	<u>Operating Reserve</u>	<u>Opportunity Reserve</u>	<u>Legal Reserve</u>	
Balance, beginning of year	\$ 1,640,424	\$ 1,042,170	\$ 297,615	\$ 100,000	\$ 3,080,209
Total revenue (expense)	(5,620)	-	-	-	(5,620)
Transfer to internally restricted reserves (note 9)	<u>(371,040)</u>	<u>281,832</u>	<u>89,208</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,263,764</u>	<u>\$ 1,324,002</u>	<u>\$ 386,823</u>	<u>\$ 100,000</u>	<u>\$ 3,074,589</u>

(See accompanying notes)

CANADIAN INSTITUTE OF PLANNERS

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
REVENUE		
Membership fees	\$ 1,876,490	\$ 1,744,410
Annual conference	1,366,826	814,836
Member services	245,524	300,638
Investment income	<u>87,143</u>	<u>35,453</u>
	<u>3,575,983</u>	<u>2,895,337</u>
EXPENSES		
Administrative expenses	1,966,071	1,705,171
Amortization	68,950	68,561
Annual conference	1,229,189	641,111
Bad debts	-	1,911
Communications	35,590	28,815
Governance	190,268	176,824
Membership services	242,592	228,674
National projects	210,724	112,909
Strategic relationships	<u>76,664</u>	<u>54,149</u>
	<u>4,020,048</u>	<u>3,018,126</u>
NET EXPENSE BEFORE UNREALIZED GAIN ON INVESTMENTS	(444,065)	(122,788)
UNREALIZED GAIN ON INVESTMENTS	<u>22,511</u>	<u>117,168</u>
NET EXPENSE	<u>\$ (421,554)</u>	<u>\$ (5,620)</u>

(See accompanying notes)

CANADIAN INSTITUTE OF PLANNERS

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u> (note 12)
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net expense	\$ (421,554)	\$ (5,620)
Adjustments for non-cash items:		
Amortization expense	68,950	68,561
Accrued interest on GICs	(6,750)	(21,329)
Fair value market value adjustment on short-term investments	<u>(22,511)</u>	<u>(38,111)</u>
	(381,865)	3,501
Changes in non-cash working capital:		
Accounts receivable	(508,431)	(872,846)
Government remittances receivable	7,711	(7,711)
Prepaid expenses	(11,663)	(139,294)
Accounts payable and accrued liabilities	(55,213)	72,359
Deferred revenue	408,967	713,137
Deferred contributions	41,250	-
Government remittances payable	<u>7,525</u>	<u>(52,858)</u>
	<u>(491,719)</u>	<u>(283,712)</u>
INVESTING ACTIVITIES		
Proceeds on sale and maturity of investments	230,715	640,782
Purchase of investments	(31,345)	(413,890)
Acquisition of capital assets	(3,954)	(7,718)
Acquisition of intangible assets	-	<u>(3,340)</u>
	<u>195,416</u>	<u>215,834</u>
FINANCING ACTIVITIES		
Repayment to related entity	-	<u>(205)</u>
DECREASE IN CASH	(296,303)	(68,083)
CASH AT BEGINNING OF YEAR	<u>2,042,619</u>	<u>2,110,702</u>
CASH AT END OF YEAR	<u>\$ 1,746,316</u>	<u>\$ 2,042,619</u>
<hr/>		
CASH IS COMPRISED OF:		
Cash	\$ 709,521	\$ 603,555
GICs and other brokerage amounts	<u>1,036,795</u>	<u>1,439,064</u>
	<u>\$ 1,746,316</u>	<u>\$ 2,042,619</u>

(See accompanying notes)

CANADIAN INSTITUTE OF PLANNERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

1. NATURE OF OPERATIONS

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

Basis of accounting

The accounting policies of the Institute are in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The Institute follows the deferral method of accounting for revenues. Restricted contributions are recognized as revenue in the year which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts 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 assuming 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 represents interest income and dividend income and is recognized as revenue when it is earned, the amount is determinable and collection is reasonably assured.

Deferred fees represent membership and conference fees received or receivable in the current period that are related to the subsequent period.

Cash and cash equivalents

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

CANADIAN INSTITUTE OF PLANNERS
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2025

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

Capital assets

Capital assets are stated at acquisition cost. Amortization is based on the asset's respective useful lives using the following method and durations:

Computer hardware	5 years straight line
Furniture and equipment	10 years straight line
Leasehold improvements	Lease term straight line

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 their useful lives of five years.

Financial instruments

The Institute's financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities.

The Institute 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 value are recognized in the statement of operations.

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

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

Impairment

Financial assets are measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net expense. 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 net expense.

Transaction costs

The Institute recognizes its transaction costs in net expense in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Use of estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting 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 collectability of accounts receivable, the determination of accounts payable and accrued liabilities, and the useful lives of capital and intangible assets.

CANADIAN INSTITUTE OF PLANNERS
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2025

3. FINANCIAL INSTRUMENTS

The Institute's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

The Institute is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Institute's maximum exposure to credit risk represents the sum of the carrying value of its cash, short-term investments and accounts receivable. The Institute's cash and short-term investments are held with a Canadian chartered bank and, as a result, management believes the risk of loss on these items to be remote.

The Institute's accounts receivable are managed and analyzed on an ongoing basis and accordingly, exposure to bad debts is not considered significant. Management believes that the Institute's credit risk with respect to accounts receivable is limited.

Liquidity risk

Liquidity risk is the risk that the Institute cannot meet a demand for cash or fund its obligations as they become due.

The Institute manages its liquidity risk by constantly monitoring cash flows and financial liabilities.

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 is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Institute is not exposed to currency risk.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates.

The Institute is exposed to interest rate risk on its fixed income investments and GIC's, however this risk exposure is considered by management to be low.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Institute is exposed to other price risk through its investments in quoted shares, the Institute manages this risk by holding a balanced fund containing a diverse range of investments.

Changes in risk

There have been no significant changes in the Institute's risk exposures from the prior year.

CANADIAN INSTITUTE OF PLANNERS
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2025

4. SHORT-TERM INVESTMENTS

Short-term investments are comprised of the following:

	<u>2025</u>	<u>2024</u>
Equities	\$ 263,456	\$ 260,323
Mutual funds	199,132	183,007
Fixed income	<u>335,520</u>	<u>524,887</u>
	<u>\$ 798,108</u>	<u>\$ 968,217</u>

5. CAPITAL ASSETS

Capital assets consist of the following:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Computer hardware	\$ 76,707	\$ 64,261	\$ 72,753	\$ 58,756
Furniture and equipment	99,630	76,586	99,630	72,922
Leasehold improvements	<u>61,005</u>	<u>60,543</u>	<u>61,005</u>	<u>60,312</u>
	237,342	<u>\$ 201,390</u>	233,388	<u>\$ 191,990</u>
Accumulated amortization	<u>201,390</u>		<u>191,990</u>	
	<u>\$ 35,952</u>		<u>\$ 41,398</u>	

6. INTANGIBLE ASSETS

Intangible assets consist of the following:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Institute Website	\$ 117,950	\$ 70,770	\$ 117,950	\$ 47,180
MPower AMS	<u>179,800</u>	<u>143,840</u>	<u>179,800</u>	<u>107,880</u>
	297,750	<u>\$ 214,610</u>	297,750	<u>\$ 155,060</u>
Accumulated amortization	<u>214,610</u>		<u>155,060</u>	
	<u>\$ 83,140</u>		<u>\$ 142,690</u>	

7. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the following:

	<u>2025</u>	<u>2024</u>
Balance beginning of year	\$ -	\$ -
Funds received in the year	<u>41,250</u>	<u>-</u>
Balance end of year	<u>\$ 41,250</u>	<u>\$ -</u>

CANADIAN INSTITUTE OF PLANNERS
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2025

8. RELATED PARTY TRANSACTIONS

During the year, the membership of the Institute made a donation to CIP-PSTF of \$67,000 (2024 - \$46,000), paid expenses on behalf of CIP-PSTF of \$36,146 (2024 - \$6,810), and charged volunteer time of \$nil (2024 - \$1,397). At year-end, there is \$36,146 owing from CIP-PSTF included in accounts receivable (2024 - \$40,587 owing to CIP-PSTF included in accounts payable and accrued liabilities). These transactions were carried out 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 Standards Advisory Committee (the "SAC") is a joint policy-making body which was created in 2024 to takeover the responsibilities previously carried on by the Professional Standards Committee for the Planning Profession of Canada (the "SC"). The Institute contributes one member to the SAC who is not already a member of the Board of Directors. The Institute's financial responsibility to the SAC is to cover 25% of the expenses incurred by the committee and the other 75% is contributed by the Provincial and Territorial Institute and Association ("PTIA") as a part of the signed service agreements.

9. UNRESTRICTED AND INTERNALLY RESTRICTED RESERVES

The Institute maintains various reserves as described below.

Unallocated surplus represents the result of operations. The entirety of the net expense is initially allocated to this reserve.

The Operating Reserve is an internally restricted 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 with a guideline amount of 12 months of the actual operating expenses from the previous year, normalized for any extraordinary items. 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 guideline amount in the reserve is equal to 6 months average payroll cost derived from the board approved payroll budget.

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. The guideline amount in the reserve is \$200,000, adjusted periodically as needed by the Board of Directors for inflation and changes in the Institute's risk portfolio.

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

10. 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 two years as listed below. In addition, the Institute is responsible for its share of annual operating costs which are approximately \$54,694 per year.

2026	\$ 42,630
2027	39,078

CANADIAN INSTITUTE OF PLANNERS
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2025

11. CREDIT FACILITY

During the year, the Institute had VISA Business credit available to a maximum of \$57,500 (2024 - \$37,500). At December 31, 2025, there was \$12,979 (2024 - \$10,081) outstanding under this facility and included in accounts payable and accrued charges on the statement of financial position.

12. RESTATEMENT OF FINANCIAL STATEMENTS

During the year, the Institute determined that membership fees collected on their behalf by some provinces were received during the fiscal year, but were not recorded within deferred revenue nor as a receivable to them from the provincial body. As a result, comparative figures have been restated as follows:

	2024 As Previously <u>Reported</u>	<u>Adjustment</u>	2024 As <u>Restated</u>
<u>Statement of financial position</u>			
Accounts receivable	\$ 362,747	\$ 934,746	\$ 1,297,493
Deferred revenue	450,288	934,746	1,385,034
<u>Statement of cash flows</u>			
Changes in non-cash working capital:			
Accounts receivable	61,900	(934,746)	(872,846)
Deferred revenue	(221,609)	934,746	713,137