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Financial Statements of

CANADIAN INSTITUTE OF PLANNERS

December 31, 2018

HENDRY WARREN LLP
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April 11, 2019

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Canadian Institute of Planners:

Opinion

We have audited the accompanying financial statements of Canadian Institute of Planners (the "Institute"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net assets and 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 Canadian Institute of Planners as at December 31, 2018, 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 Matter

The financial statements of the Institute for the year ended December 31, 2017 were audited by another auditor who expressed an un-modified opinion on those statements on May 7, 2018.

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

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accountings Standard 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.
- 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.

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- 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 Accountants
Licensed Public Accountants
Ottawa, Ontario

CANADIAN INSTITUTE OF PLANNERS

Statement of Financial Position

December 31, 2018, with comparative figures for 2017

	2018	2017
Assets		
Current assets		
Cash	$ 1,718,223	$ 1,002,937
Short term investments	-	611,808
Accounts receivable	262,275	42,513
Prepaid expenses	82,786	77,703
Due from related entity (Note 3)	3,064	-
	2,066,348	1,734,961
Capital assets (Note 4)	27,122	40,701
Intangible assets (Note 5)	29,444	88,333
	$ 2,122,914	$ 1,863,995
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued charges	$ 113,314	$ 158,911
Government remittance payable	34,764	28,935
Deferred revenue	494,039	329,272
	642,117	517,118
Commitments (Note 6)		
Net assets		
Unrestricted	1,480,797	1,346,877
	$ 2,122,914	$ 1,863,995

Approved on behalf of the Board:

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Director

CANADIAN INSTITUTE OF PLANNERS

Statement of Operations and Changes in Net Assets

Year ended December 31, 2018, with comparative figures for 2017

	2018	2017
Revenue		
Membership fees	$ 1,098,703	$ 1,083,466
Annual conference	469,915	683,014
Member services	220,404	197,407
National projects	130,856	64,730
Investment income	21,659	16,492
	1,941,537	2,045,109
Expenses		
Administrative expenses	838,680	802,213
Amortization	72,468	78,208
Communications	6,083	4,667
Governance	260,564	196,464
Memberships services	580,899	764,511
National projects	48,923	22,412
	1,807,617	1,868,475
Excess of revenue over expenses	133,920	176,634
Unrestricted net assets, beginning of year	1,346,877	1,170,243
Unrestricted net assets, end of year	$ 1,480,797	$ 1,346,877

CANADIAN INSTITUTE OF PLANNERS

Cash Flow Statement

Year ended December 31, 2018, with comparative figures for 2017

	2018	2017
Operating activities		
Excess of revenue over expenses	$ 133,920	$ 176,634
Non cash items:		
Amortization expense	72,468	78,208
Fair market value adjustment on investments	-	(6,778)
Changes in working capital balances (Note 7)	(99,846)	(193,103)
Cash provided by operating activities	106,542	54,961
Investing activities		
Cash from (purchase of) short-term investments	611,808	200
Cash from note receivable	-	34,165
Acquisition of tangible capital assets	-	(41,718)
Advance to related entity	(3,064)	-
Cash provided by (used in) investing activities	608,744	(7,353)
Increase in cash	715,286	47,608
Cash, beginning of year	1,002,937	955,329
Cash, end of year	$ 1,718,223	$ 1,002,937

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).

CIP's core purpose, as stated in its Strategic Plan, is "to advance professional planning across Canada". The Institute's overarching long-term goal to "be the leading advocate for urban policy and community building across Canada" is supported by six other goals and related strategies for advancing various aspects of CIP governance and operations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted 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.

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. Cash includes amounts held in high-interest savings accounts held inside the Institute's brokerage accounts.

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
Capital assets:		
Computer hardware	Declining balance	50%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Straight-line	Lease term
Intangible assets:		
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 generally accepted 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 estimated useful lives of capital and intangible assets as well as accruals for certain amounts receivable.

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 investments that are quoted in an active market, which are measured in fair value. Changes in fair value are recognized in the statement of operations and changes in net assets.

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

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

3. Due from related entity

The balance is due from the Canadian Institute of Planners' Planning Student Trust Fund and is non-interest bearing with no fixed terms of repayment. Since the Institute expect to collect the amount prior to January 1, 2019, the amount has been included with current assets.

4. Capital assets

			2018	2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	$ 40,720	$ 33,197	$ 7,523	$ 15,046
Furniture and equipment	62,991	46,167	16,824	21,030
Leasehold improvements	59,850	57,075	2,775	4,625
	$ 163,561	$ 136,439	$ 27,122	$ 40,701

5. Intangible assets

			2018	2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Institute website	$ 122,310	$ 110,079	$ 12,231	$ 36,693
Member database	172,135	154,922	17,213	51,640
	$ 294,445	$ 265,001	$ 29,444	$ 88,333

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 3 years are $34,104. In addition, the Institute is responsible for its share of annual operating costs which are approximately $46,296 per year.

7. Changes in working capital balances

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

	2018	2017
Accounts receivable	$ (219,762)	$ 18,352
Prepaid expenses	(5,083)	(12,054)
Accounts payable and accrued charges	(45,597)	(8,027)
Government remittance payable	5,829	6,839
Deferred revenue	164,767	(198,213)
	$ (99,846)	$ (193,103)

8. 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 balance sheet date, December 31, 2018.

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 liabilities and its ability to provide activities related to its deferred revenue.

9. Comparative figures

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