Financial Planning Foundation

Financial Statements
March 31, 2018

August 16, 2018

Independent Auditor's Report

To the Members of
Financial Planning Foundation

We have audited the accompanying financial statements of Financial Planning Foundation, which comprise the statement of financial position as at March 31, 2018 and the statements of operations and net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Financial Planning Foundation as at March 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Financial Planning Foundation

Statement of Financial Position

As at March 31, 2018

	2018 $	2017 $
Assets		
Current assets		
Cash and cash equivalents (note 3)	232,441	244,738
Accounts receivable	890	8,525
Prepaid expenses	3,605	3,154
	236,936	256,417
Capital assets (note 4)	-	77
Intangible assets (note 5)	46	259
	236,982	256,753
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	24,494	665
Advances from related party (note 6)	5,590	10,507
	30,084	11,172
Net Assets		
Unrestricted	206,898	245,581
	236,982	256,753

Approved by the Board of Directors

_______________________________ Director _______________________________ Director

The accompanying notes are an integral part of these financial statements.

Financial Planning Foundation

Statement of Operations and Net Assets

For the year ended March 31, 2018

	2018 $	2017 $
Income		
Financial Planning Standards Council contribution (note 6)	10,000	10,000
Institut québécois de planification financière contribution (note 6)	25,000	25,000
Donations - receipted and unreceipted	36,175	44,954
Interest income	1,122	1,033
	72,297	80,987
Expenses		
Payroll and benefits	-	6,394
Audit	7,643	6,837
Creative	9,189	5,895
Bank service and credit card charges	1,000	1,576
Insurance	2,283	2,343
Office and meetings	20,575	14,459
Research grants (note 7)	70,000	(22,791)
	110,690	14,713
Excess of (expenses over income) income over expenses before amortization	(38,393)	66,274
Amortization		
Capital assets	77	111
Intangible assets	213	427
	290	538
Excess of (expenses over income) income over expenses for the year	(38,683)	65,736
Net assets - Beginning of year	245,581	179,845
Net assets - End of year	206,898	245,581

The accompanying notes are an integral part of these financial statements.

Financial Planning Foundation

Statement of Cash Flows

For the year ended March 31, 2018

	2018 $	2017 $
Cash provided by (used in)		
Operating activities		
Excess of (expenses over income) income over expenses for the year	(38,683)	65,736
Items not affecting cash		
Amortization of capital assets	77	111
Amortization of intangible assets	213	427
	(38,393)	66,274
Changes in non-cash working capital balances related to operations		
Accounts receivable	7,635	(7,573)
Prepaid expenses	(451)	1,854
Accounts payable and accrued liabilities	23,829	412
	(7,380)	60,967
Financing activities		
Advances from related party	(4,917)	10,429
(Decrease) increase in cash and cash equivalents during the year	(12,297)	71,396
Cash and cash equivalents - Beginning of year	244,738	173,342
Cash and cash equivalents - End of year	232,441	244,738

The accompanying notes are an integral part of these financial statements.

1 Purpose of the organization

Financial Planning Foundation (the Foundation) was incorporated without share capital under the Canada Corporations Act on October 14, 2004 as a not-for-profit organization. On September 24, 2014, the Foundation was granted continuance under the Canada Not-for-profit Corporations Act.

The Foundation's mandate is to develop and promote financial planning research and education for the benefit of financial and allied professionals, education providers and the Canadian public.

The Foundation is a registered charitable organization under the Income Tax Act (Canada) and as such is exempt from income taxes.

2 Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) (Part III of the Chartered Professional Accountants of Canada (CPA Canada) Handbook), as issued by the Canadian Accounting Standards Board applied within the framework of the accounting policies summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of cash deposits and guaranteed investment certificates with a maturity of 90 days from the date of acquisition.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided for at rates and bases designed to amortize the cost of capital assets over their estimated useful lives as follows:

Office equipment	20% declining balance

Intangible assets

Intangible assets are recorded at cost less accumulated amortization. Amortization is provided for at rates and bases designed to amortize the cost of intangible assets over their estimated useful lives as follows:

Computer software	30% declining balance

Impairment of long-lived assets

The Foundation reviews its long-lived assets for impairment. An impairment charge is recognized for long-lived assets, including intangible assets, whenever events or changes in circumstances cause an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposal, as determined by valuation. The impairment loss is calculated as the difference between the fair value of the assets and their carrying value, if any.

Revenue recognition

The Foundation follows the deferral method of accounting for donations. Contributions received in respect of future events are deferred until the related expenses are incurred.

Unrestricted donations are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instrument at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized on a straight-line basis.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value. Impairments are recognized through the use of an allowance account, with a corresponding charge in the statement of operations and net assets.

It is management's opinion that the Foundation is not exposed to significant liquidity risk, interest rate risk, credit risk, market risk and foreign currency risk.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and operating costs during the reporting period. Actual results could differ from those estimates.

3 Cash and cash equivalents

	2018 $	2017 $
Cash balance	99,542	112,417
Guaranteed investment certificate	132,899	132,321
	232,441	244,738

4 Capital assets

Capital assets consist of the following:

			2018	2017
	Cost $	Accumulated amortization $	Net $	Net $
Office equipment	1,085	1,085	-	77

5 Intangible assets

Intangible assets consist of the following:

			2018	2017
	Cost $	Accumulated amortization $	Net $	Net $
Computer software	6,106	6,060	46	259

6 Related party transactions

All related party transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, Financial Planning Standards Council (FPSC) contributed $10,000 (2017 - $10,000) to the Foundation in addition to providing management and administrative services. FPSC will assess its support of the Foundation on an annual basis.

Amounts payable to FPSC of $5,590 (2017 - $10,507) are non-interest bearing and due on demand.

FPSC's management continues to assist the Foundation with the administrative functions and has one seat on the Foundation's Board represented by FPSC's Chief Executive Officer (CEO). Accordingly, FPSC has significant influence over the Foundation.

During the year, the Foundation received $25,000 (2017 - $25,000) from Institut québécois de planification financière (IQPF) as a part of IQPF's pledge to make annual contributions to the Foundation totalling $125,000 over five years ending June 30, 2018. IQPF's CEO is also a member of the Board of the Foundation.

7 Research grants

During the year, the Foundation made disbursements for two projects: a joint project on Financial Wellness between CPA Canada and the Foundation; and a study focused on the Risk of Ignoring Risks in Retirement Planning. The total disbursements related to these projects in fiscal 2018 were $70,000 (2017 - $nil).

During fiscal 2017, the Foundation was advised that one of its funded projects would not be completed and that the Foundation would be refunded $22,791. As at March 31, 2017, $18,000 had been received and the remaining balance of $4,791 was received in fiscal 2018.

8 Economic dependence

The Foundation receives funding from FPSC and IQPF that accounts for approximately 14% (2017 - 12%) and 35% (2017 - 31%), respectively, of income for the year ended March 31, 2018.

9 Comparative figures

Certain 2017 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2018.