Financial Planning Foundation

(formerly FPSC Foundation)

Financial Statements

March 31, 2014

June 19, 2014

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, 2014 and the statements of operations, changes in 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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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Financial Planning Foundation as at March 31, 2014 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, 2014

	2014 $	2013 $
Assets		
Current assets		
Cash and cash equivalents (note 3)	184,600	180,512
Accounts receivable	1,532	3,884
Prepaid expenses	1,792	-
	187,924	184,396
Capital assets (note 4)	497	621
Intangible assets (note 5)	3,244	1,809
	191,665	186,826
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	5,157	-
Advances from related party (note 6)	12,930	-
	18,087	-
Net Assets		
Internally restricted invested in capital assets	497	621
Unrestricted	173,081	186,205
	173,578	186,826
	191,665	186,826

Commitments (note 7)

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

For the year ended March 31, 2014

	2014 $	2013 $
Income		
Financial Planning Standards Council (note 6)	50,000	50,000
Receipted donations	49,660	39,907
Interest income	1,676	1,331
	101,336	91,238
Expenses		
Payroll and benefits	61,223	35,899
Research fees	23,586	21,695
Audit	7,704	5,840
Consulting and creative	7,695	4,892
Bank service and credit card charges	2,764	1,887
Legal	2,695	-
Insurance	1,448	-
Office	4,742	827
Amortization	2,727	414
	114,584	71,454
Excess of income over expenses (expenses over income) for the year	(13,248)	19,784

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

Financial Planning Foundation

Statement of Changes in Net Assets

For the year ended March 31, 2014

	2014		
	Internally restricted invested in capital assets $	**Unrestricted net assets available for operations $**	**Total $**
Net assets - Beginning of year	621	186,205	186,826
Excess of expenses over income for the year	-	(13,248)	(13,248)
Amortization of capital assets	(124)	124	-
Net assets - End of year	497	173,081	173,578

	2013		
	Internally restricted invested in capital assets $	**Unrestricted net assets available for operations $**	**Total $**
Net assets - Beginning of year	776	166,266	167,042
Excess of income over expenses for the year	-	19,784	19,784
Amortization of capital assets	(155)	155	-
Net assets - End of year	621	186,205	186,826

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

Financial Planning Foundation

Statement of Cash Flows

For the year ended March 31, 2014

	2014 $	2013 $
Cash provided by (used in)		
Operating activities		
Excess of income over expenses (expenses over income) for the year	(13,248)	19,784
Items not affecting cash		
Amortization of capital assets	124	155
Amortization of intangible assets	2,603	259
	(10,521)	20,198
Changes in non-cash working capital balances related to operations		
Accounts receivable	2,352	(1,127)
Prepaid expenses	(1,792)	-
Accounts payable and accrued liabilities	5,157	(11,874)
	(4,804)	7,197
Investing activities		
Purchase of intangible assets	(4,038)	(2,068)
Financing activities		
Advances from related party	12,930	-
Increase in cash and cash equivalents during the year	4,088	5,129
Cash and cash equivalents - Beginning of year	180,512	175,383
Cash and cash equivalents - End of year	184,600	180,512

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

1 Purpose of the organization

Financial Planning Foundation (formerly FPSC Foundation) (the Foundation) was incorporated without share capital under the Canada Corporations Act on October 14, 2004 as a not-for-profit organization.

The Foundation's mandate is to develop and promote research and education on financial planning for the benefit of all Canadians.

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 Handbook, as issued by the Canadian Accounting Standards Board applied within the framework of the accounting policies summarized below.

These financial statements include the following net asset groupings:

- Unrestricted - includes the cumulative net excess of income over expenses.
- Internally restricted invested in capital assets - includes funds that have been used for the purpose of purchasing capital assets, net of accumulated amortization.

Cash and cash equivalents

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

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided 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

Revenue recognition

The Foundation follows the deferral method of accounting for donations.

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.

It is management’s opinion that the Foundation is not exposed to significant interest rate risk, credit 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

	2014 $	2013 $
Cash balance with financial institution	24,600	49,584
Guaranteed investment certificate (i)	160,000	130,928
	184,600	180,512

i) The guaranteed investment certificate matures on June 24, 2014 and has an interest rate of 1.25%.

4 Capital assets

Capital assets consist of the following:

			2014
	Cost $	Accumulated amortization $	Net $
Office equipment	1,083	586	497

			2013
	Cost $	Accumulated amortization $	Net $
Office equipment	1,083	462	621

5 Intangible assets

Intangible assets consist of the following:

			2014
	Cost $	Accumulated amortization $	Net $
Computer software	6,106	2,862	3,244

			2013
	Cost $	Accumulated amortization $	Net $
Computer software	2,068	259	1,809

6 Related party transactions

All related party transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. During the year, the Financial Planning Standards Council (FPSC) paid $50,000 to the Foundation as part of FPSC's pledge to make annual contributions to the Foundation totalling $250,000 over five years. There is one year remaining on this pledge as of March 31, 2014.

Until July 4, 2013, FPSC had control over the Foundation through a majority representation of FPSC Board members on the Foundation's Board. Subsequent to July 4, 2013, a strategic decision was taken by FPSC to relinquish a majority representation on the Foundation's Board. FPSC's management continues to assist the Foundation with the administrative functions and has one ex-officio seat on the Foundation's Board represented by FPSC's CEO. Accordingly, FPSC still has significant influence over the Foundation.

Amounts payable to FPSC of $12,930 are non-interest bearing and due on demand.

7 Commitments

Beginning in fiscal 2013, the Foundation developed a research granting program to support financial planning research in Canada and has committed to fund York University for two projects over two years.

The Foundation disbursed $24,090 during the year under this program. The remaining amount under this commitment of $24,090 will be paid in 2015.