Ontario Professional Foresters Association

Audited Financial Statements

November 30, 2011

Ed Girardi
Chartered Accountant

Ontario Professional Foresters Association

Index

ED GIRARDI PROFESSIONAL CORPORATION

(Authorized to practise public accounting by The Institute of Chartered Accountants of Ontario)

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Independent Auditor's Report

TO: The Members of the Ontario Professional Foresters Association

I have audited the accompanying financial statement of the Ontario Professional Foresters Association which comprise the balance sheet at November 30, 2011 and the statements of operations, changes in net assets, and cash flows for the year then ended and 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 generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. I am also required to comply with applicable ethical requirements.

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 preparations 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. Accordingly, the auditor expresses no such opinion. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ontario Professional Foresters Association as at November 30, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountant
Licensed Public Accountant

Richmond Hill, Ontario
February 6, 2012

Ontario Professional Foresters Association

Balance Sheet
As at November 30

	2011	2010
Assets		
Current		
Cash	$ 53,062	$ 84,591
Accounts receivable	6,718	4,893
Prepaid expenses and deposits	8,038	7,992
	67,818	97,476
Investments (Note 3)		
Investments reserved for future use	364,230	348,362
Investments available for current use	139,669	164,365
	503,899	512,727
	$ 571,717	$ 610,203
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 31,619	$ 48,441
Due to Ontario Professional Forestry Foundation (Note 11)	-	2,618
Prepaid membership fees (Note 6)	52,209	85,218
	83,828	136,277
Net Assets		
Net assets reserved for future use (Note 5)	364,230	348,362
Unrestricted net assets	123,659	125,564
	487,889	473,926
	$ 571,717	$ 610,203

On behalf of the Board:

C. Corbett

President

Tony Jennings

Registrar & Executive Director

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

Ontario Professional Foresters Association

Statement of Operations
For the Year Ended November 30

	2011	2010
Revenues		
Memberships	$ 289,604	$ 294,793
Application and examination	10,325	10,205
Annual general meeting	2,459	10,000
Miscellaneous	1,185	1,235
Interest on investments and deposits - unrestricted funds	2,845	1,397
	306,418	317,630
Expenses (Note 7)		
Regulatory	62,313	60,790
Profile (recognition of profession)	39,180	35,853
Policy engagement	49,031	35,738
Competency	10,878	1,899
Member services	26,367	30,248
Governance	38,445	63,547
General administration	80,713	77,871
	306,927	305,946
Excess (deficiency) of revenues over expenses before interest from restricted funds	(509)	11,684
Interest earned on restricted funds	14,472	12,379
Excess of revenues over expenses	$ 13,963	$ 24,063

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

Ontario Professional Foresters Association

Statement of Changes in Net Assets
For the Year Ended November 30

	Reserve funds	Unrestricted	2011	2010
Balance, beginning of year	$ 348,362	$ 125,564	$ 473,926	$ 449,863
Excess of revenues over expenses	-	13,963	13,963	24,063
Transfer to net assets for future use (Note 5)	1,396	(1,396)	-	-
Funds reserved for future use (Note 5)	14,472	(14,472)	-	-
Balance, end of year	$ 364,230	$ 123,659	$ 487,889	$ 473,926

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

Ontario Professional Foresters Association

Statement of Cash Flows
For the Year Ended November 30

	2011	2010
Cash provided by (used for):		
Operations		
Excess of revenues over expenses for the year	$ 13,963	$ 24,063
Changes in non-cash working capital components:		
Prepaid expenses and deposits	(46)	3,065
Accounts receivable	(1,825)	1,291
Accounts payable and accrued liabilities	(16,822)	11,134
Due to Ontario Professional Forestry Foundation	(2,618)	2,618
Prepaid membership fees	(33,009)	(28,508)
	(54,320)	(10,400)
Investing		
Increase in investments	8,828	(116,214)
Decrease in cash during the year	(31,529)	(102,551)
Cash balance, beginning of year	84,591	187,142
Cash balance, end of year	$ 53,062	$ 84,591

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

1. General

The Ontario Professional Foresters Association ("the Association"), established in 1957, serves as a governing body for professional foresters, ensuring professionalism and accountability. The Association is incorporated under the laws of Ontario and has no share capital.

2. Summary of Significant Accounting Policies

Cash and cash equivalents
The Association's policy is to disclose bank balances under cash and cash equivalents, including any bank overdrafts.

Investments
Investments consist of Guaranteed Investment Certificates and bonds and are recorded at the lower of cost and market value.

Capital assets
Council approved charging to expense purchases of office equipment for 1990 and subsequent years. In fiscal 2011 no capital items have been expensed.

Prepaid membership fees
Required fees received in the current year which pertain to the subsequent year are shown as a liability in the financial statements.

Revenue recognition
Membership fees of the Association are recognized as revenue in the year to which the fees apply. The Association follows the deferral method of accounting for it membership fees.

Contributed services
Volunteers contribute their time each year to assist the Association in carrying out its various activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3. Investments

The cost of investments, including accrued interest at November 30, 2011, was $503,899 (2010: $512,727) and they consist of the following:

Investments reserved for future use

Guaranteed Investment Certificate	Interest Rate	Due Date	Cost and Market Value	Accrued Interest	Total
Maple Trust	3.30%	April 1, 2016	$ 36,700	$ 810	$ 37,510
Province of B.C. CPN	3.24%	December 18, 2014	49,694	3,410	53,104
Canada Trust	3.05%	March 26, 2012	86,092	7,050	93,142
Home Trust	1.30%	July 14, 2012	28,169	141	28,310
B2B Trust	2.85%	July 16, 2013	38,400	1,508	39,908
Canadian Western Bank	3.21%	April 23, 2013	32,670	1,689	34,359
Dundee Bank	3.25%	March 30,2016	41,080	2,124	43,204
Manulife Bank	3.85%	April 1, 2016	32,670	2,023	34,693
			345,475	18,755	364,230
Cash on deposit with Scotia McLeod			-	-	-
			$ 345,475	$ 18,755	$ 364,230

Investments available for current use

Guaranteed Investment Certificate	Interest Rate	Due Date	Cost and Market Value	Accrued Interest	Total
TD Canada Trust	0.66%	December 23, 2011	$ 35,000	$ 28	$ 35,028
TD Canada Trust	0.96%	February 21, 2012	40,000	113	40,113
Home Trust	2.40%	May 6, 2013	30,915	427	31,342
Canadian Western Bank	2.71%	May 3, 2012	30,000	1,285	31,285
			135,915	1,853	137,768
Cash on deposit with Scotia McLeod			1,901	-	1,901
			$ 137,816	$ 1,853	$ 139,669

4. Lease Commitment

The Association leases office premises at 5 Wesleyan Street, Georgetown, Ontario. Monthly lease payments are $830.55 and the two year lease term expires on June 30, 2013.

5. Funds Reserved For Future Use

In 2007 the Association formalized a policy of reserving funds for potential future liabilities including project over-runs, litigation or other contingencies.

A target level of funds has been established by the Council, upon advice from the Finance and Audit Committee and is to be increased by the interest earned on these invested funds. These funds may only be used with the express approval of Council.

The current reserve target was calculated as follows:

Dissolution	$	45,000
Project over-runs		35,000
Allowance for two concurrent major disciplinary matters		230,000
Interest earned on invested funds		38,362
Balance at November 30, 2010		348,362
Contribution in 2011 to adjust base level of reserve		1,396
Interest earned on invested funds in 2011		14,472
		15,868
Balance at November 30, 2011	$	364,230

6. Prepaid Membership Fees

		2011		2010
Balance, beginning of year	$	85,218	$	113,726
Amount recognized as revenue in the year		(85,218)		(113,726)
Amount received related to the following year		52,209		85,218
Balance, end of year	$	52,209	$	85,218

7. Operating Expenses

The following are operating expenses of the Association:

		2011		2010
Advertising	$	14,923	$	11,806
Audit - annual		5,091		4,505
Audit - registration		-		5,250
Bank charges		5,883		5,293
Consultants		9,805		19,017
Equipment and software		6,052		5,834
Honoraria		1,000		1,000
Insurance		4,643		6,798
Legal		9,352		21,303
Office supplies		2,370		4,098
OFA forestry career awareness support		7,000		7,000
Photocopying and printing		8,006		6,199
Postage		5,511		5,399
Provision for uncollectible receivables		7,955		-
Rent		9,690		9,100
Staff		125,134		123,824
Subscriptions		1,400		1,288
Teleconferencing, telephone and internet		5,580		6,679
Travel, memberships and meetings				
Forestry		15,447		4,448
Regulatory		8,854		9,819
OPFA		49,205		37,850
Website		1,365		6,126
Other		2,661		3,310
	$	306,927	$	305,946

The above noted expenses are those shown on the statement of operations presented in a more traditional format. Prior year's figures for some of these expenses were not readily available for comparative purposes.

8. Major Projects

The following expenses, included in the Statement of Operations, are projects or project groups that have absorbed a significant amount of resources.

			2011	2010
1	Registration			
		Inclusivity and mutual recognition	$ 2,229	$ 9,570
		Fairness Commissioner requirements	2,699	9,301
2	Policy			
		Tenure and pricing review	1,700	3,255
		Growing professionalism in the forest	34,583	17,169
3	Member Services			
		Fall seminars	14,980	15,201
4	Governance			
		By-law review	1,142	21,395

9. Financial Instruments

The fair values of cash, accounts receivable and accounts payable approximate their carrying amount given their short term maturity.
The Association manages its short term guaranteed investment certificate portfolio according to its cash needs and in such a way as to maximize interest income.

10. Comparative Figures

Certain of the prior year's figures have been restated to conform to the presentation adopted in the current year.

11. Due to Ontario Professional Forestry Foundation

The Ontario Professional Forestry Foundation (i.e. "the Foundation") has one board member who also holds a position with the Ontario Professional Foresters Association. The management of the Association has been involved in developing the policies of the Foundation.