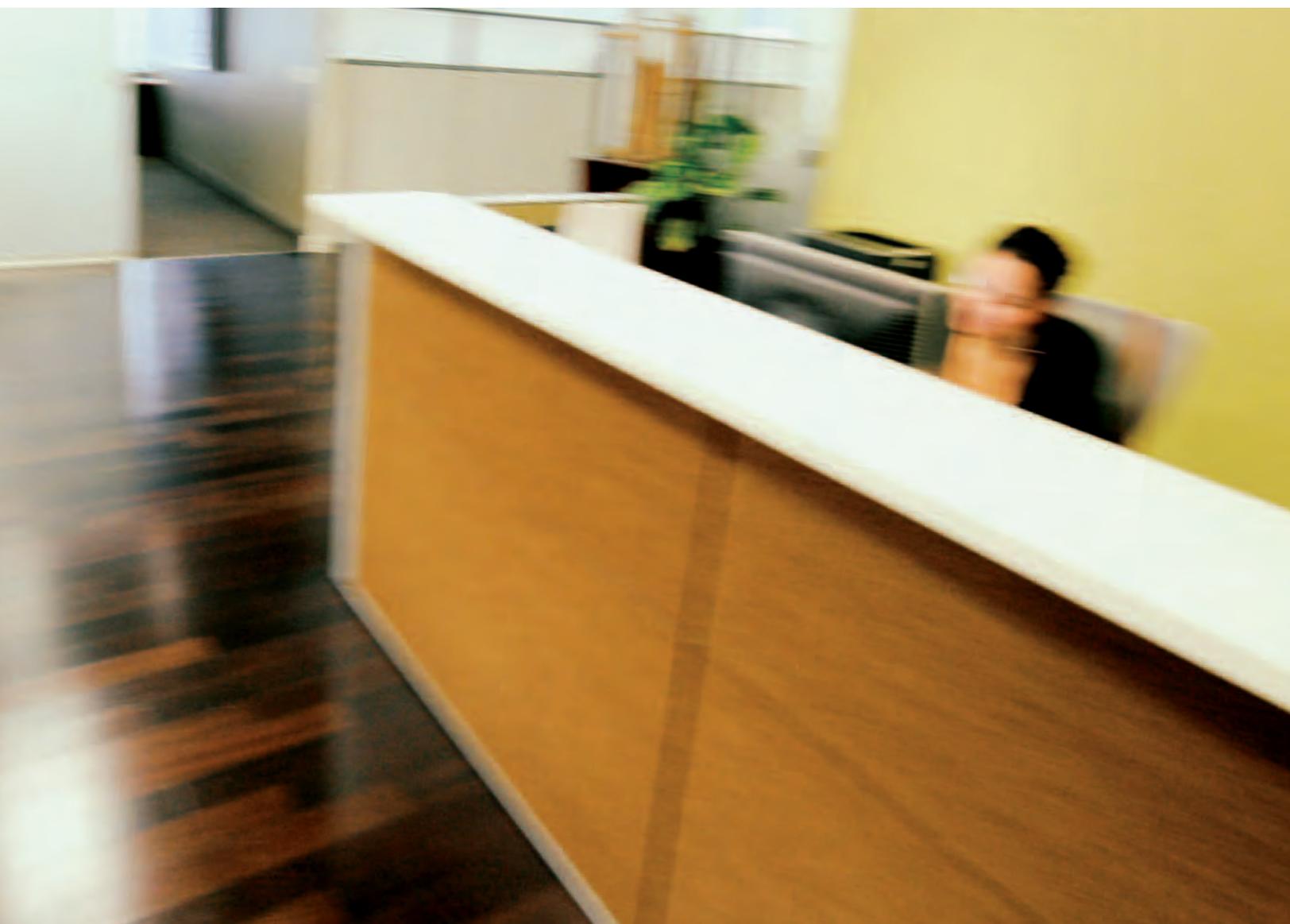


C FINANCIAL
S PLANNING
P STANDARDS
E COUNCIL[®]



2010-2011
annual report

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Our Vision

Canadians improve their lives by engaging in financial planning.

Our Mission

We certify financial planners, develop and enforce professional standards and raise awareness of the importance of financial planning.

Our Values

FPSC embraces **professionalism**, demonstrates **leadership** and offers an unparalleled commitment to **excellence, quality** and **continuous improvement** in every task we undertake and each relationship we forge and preserve.

We believe **diversity** is a vital ingredient in any productive environment. Our dedication to an **equitable** workplace will always ensure that all are valued and all are treated with dignity.

We value our **integrity** and our **passion**; it is the basis for our reputation and our source of strength.

We expect to be held **accountable**, always striving to be **clear** and **open** in all of our communications.

Above all, and in every transaction and engagement, we are **ethical, respectful** and **fair**.

June 2011



Message to our Stakeholders

President's Message

Looking back on this year, in addition to the accomplishments and achievements highlighted in this Annual Report, several themes in particular stand out to me as defining 2010-11.

The professionalization of financial planning was a significant theme this year, both at home and worldwide. FPSC led the discussion about the pathway to and consequences of professionalizing financial planning and encouraged reflection on this important topic. There was also growing interest in the related topic of whether professionals are, by definition, fiduciaries, and if not, what is the nature of the "duty of care" that financial planners should owe to clients.

As we see the industry change and come to grips with this difficult question of professionalization, we are closely watching significant international developments in Australia, the U.K. and the U.S. regarding the banning of commissions and how, or if, financial planners should be regulated separately from the regulation of insurance and securities. We are discussing what these developments might mean for the financial services industry in Canada. We delved deep at the Vision 2020 Symposium, where representatives from government, industry, regulators and planners gathered to discuss these difficult issues.

Financial literacy was on the tip of everyone's tongue this past year. Through developing our own submissions and presentations, FPSC crystallized its position and was pleased to see many of our recommendations incorporated into government proposals, both at the federal and provincial levels.

Our *Value of Financial Planning* study, in addition to being popular with media and CFP® professionals, has provided empirical evidence as to the value proposition of financial planning and provided tangible results of its benefits to Canadians of all income levels. We look forward to sharing the results of year two of the five-year study, which will be available in 2011.

I was also truly heartened to see the continued breakdown of some of the barriers that have kept many similar-minded industry organizations from working closely together. If financial planning is ever to be a recognized profession, it must be built on the notion of a single profession founded on the same principles, and not be based on provincial, linguistic or cultural differences. When Institut québécois de planification financière officially joined FPSC as a member organization in June, 2010, that assertion became closer to reality.

In 2011-12, we are committed to continuing to having our voice heard by consumers and media, government and industry. With a strong team of dedicated staff, a committed Board and a supportive base of CFP professionals, I look forward to the next year with continued excitement and optimism for the future of financial planning and CFP certification.

A handwritten signature in black ink that reads "Cary List".

Cary List
CA, CFP®
President and CEO, Financial Planning Standards Council



Chair's Message

As Chair of the FPSC Board, one of the things that I have enjoyed most about this position is having the opportunity to meet and work with planners from across Canada.

I had the opportunity this past year, through a series of three Town Hall events, to meet with CFP professionals in Vancouver, Winnipeg and Calgary. These informal discussions gave me tremendous insight into the trends and issues that are unique to each region, as well as the chance to have face-to-face dialogue with my fellow professionals. The feedback I received from the Town Hall meetings helped direct some of the most important discussions at the FPSC Board table on such issues as professionalization and regulation of financial planning.

Welcoming the Institut québécois de planification financière (IQPF) as FPSC's newest Member Organization was a significant development this year; this development brought the total number of Member Organizations up to seven. Forging strong strategic partnerships and alliances allow us to expand our reach in an effective way, while gaining new and unique perspectives that allow us to successfully guide FPSC's strategic direction.

I'll also remember 2010-11 as the landmark year that saw the full and final implementation of FPSC's new CFP certification program, changes that were several years in the making. We were pleased to see the new program rolled out without a hitch; it took a monumental effort, across the entire organization, to bring this program to fruition. We are delighted to see candidates, educators and the industry embrace the new requirements. Enhancing the standards for CFP certification bodes well for the credibility of the credential and also ensures that future CFP professionals will meet the evolving financial planning needs of Canadians.

It's been a pleasure serving as Chair of the FPSC Board these past two years, and I know that when my term comes to an end in June, I will be turning over the helm of an organization that gets stronger and more relevant with each passing year.

A handwritten signature in black ink that reads "Debbie Ammeter". The signature is fluid and cursive.

Debbie Ammeter
LL.B., CFP®
Vice-President, Advanced Financial Planning
Investors Group

Raising Awareness

This past year, FPSC led the discussion on important issues such as the professionalization of financial planning, the importance of financial literacy and the value of financial planning. We shared our positions on these topics with industry, government, regulators, media and Canadians. Media continue to attribute CFP® professionals and present FPSC as an authoritative source for financial planning information; impressions this fiscal reached into the hundreds of millions.

Value of Financial Planning Study

FPSC revealed the results from the first year of the *Value of Financial Planning* study conducted by The Strategic Counsel. The five-year longitudinal study is monitoring Canadians to gain an understanding of how financial planning impacts the emotional and long-term financial well being of Canadians.

The first year of the study, undertaken during a point of lowest consumer confidence in decades, brought fascinating and encouraging results:

- 61% of respondents who receive comprehensive, financial planning felt they had piece of mind, compared with 36% who receive no financial planning.
- 66% of respondents who receive comprehensive, financial planning meet their goal of taking a vacation every year, compared with 31% of those who receive no financial planning.
- 76% of respondents who deal with a CFP professional reported feeling more “on track” with their financial affairs, compared with 63% of those dealing with a non-certified advisor and 35% for those without an advisor.

FPSC leveraged the results in conference speaking engagements, media releases and brochures for Canadians and during Financial Planning Week. We look forward to sharing more results over the next four years.

Public policy development

This past year, FPSC increased its role on the public policy front by actively building key relationships and stressing the importance of financial planning and financial literacy to regulators, government officials and other stakeholders.

Most notably, FPSC presented its recommendations regarding financial literacy to the Federal Task Force on Financial Literacy as well as the Ontario Working Group on Financial Literacy. Some of the key points in our position on financial literacy were: a focus on behavioural change rather than solely increasing knowledge; acknowledging the importance of shaping financial behaviours in youth; and encouraging Canadians to hire financial professionals as a means to safeguard them against financial fraud.

When the Task Force released its report in February 2011, FPSC applauded its recommendations and urged the Canadian government to act on the outlined recommendations.

After building more awareness of FPSC on the public policy front over the past year, FPSC looks forward to expanding its efforts in the upcoming year.

A leading voice in the media for financial planning

FPSC continues to have significant presence in television, newspapers, the web and magazines. This past year, we reached over 200 million people either directly or through the CFP professional community.

Journalists continue to view CFP professionals as credible sources of financial planning advice and recognize FPSC as an authoritative source on topics such as the value of financial planning, the need for high standards and financial literacy.

FPSC executives secured coverage on industry programming (BNN) as well as public channels (CTV News); programs such as Global News's *Consumer SOS* interview CFP professionals for opinions and advice on a regular basis.

FPSC's social media platforms continue to grow. Twitter and Facebook followers have doubled and are increasing daily. These platforms allow the public and other stakeholders to share and discuss timely topics. Sessions from Financial Planning Week's 2020 Symposium are available on FPSC's YouTube channel for viewing and for comment.

We look forward to reshaping our social media strategy so that FPSC's vision continues to resonate.

Providing information to stakeholders

FPSC considers it a priority to communicate the importance of financial planning and the value of CFP certification to Canadians and the industry. To accomplish this, we advertised during RRSP season in *enRoute* and *Maclean's* magazine; we also published the names of successful November FPE1® examination candidates in *the Globe and Mail*.

FPSC and CFP professional volunteers regularly participate in trade shows and fairs, answering the public's questions about financial planning and CFP certification.

University presentations and exhibits are also vital in sharing the new certification program with prospective students and answering their questions. FPSC visited over 25 colleges and universities across Canada this past year and spoke to hundreds of students about earning CFP certification.

Industry-focused presentations were also in demand; FPSC conducted 10 presentations to groups of financial advisors interested in pursuing CFP certification.

Fostering a Professional Environment

It remains a priority for FPSC to maintain strong relationships with CFP professionals, educators and industry players. Our strengthened bond with IQPF brings consistency for standards for financial planners across Canada. We held conferences – like the Vision 2020 Symposium – and meetings with key players this year to discuss our projects and research. Vital information, as well as financial planning trends and issues, was communicated through our publication, the *FP Standard*, and online platforms.

IQPF becomes FPSC's seventh member organization

In June 2010, the Institut québécois de planification financière (IQPF) became FPSC's seventh member organization. The official agreement was signed in Mont Tremblant, QC, at FPSC's Annual Meeting.

FPSC and the IQPF have been working together for some time to address common issues that will further the public interest, including working towards greater consistency of standards across Canada, undertaking public interest research, and ultimately establishing financial planning as a profession.

IQPF's membership in FPSC affirms our co-operation as we work together towards a uniform set of standards for financial planning across Canada.

Discussions with educators and industry

FPSC forges ties with the educator community by cultivating a professional community from within itself.

May 2010 marked the fourth annual FPSC Educator Conference, where industry panels shared their perspective on demand for CFP professionals. The conference connected 50 educators with industry, allowing them to share and observe key trends, learn about what industry expects from students, and to develop tools to enhance student learning.

FPSC also conducted a pre-conference session for educators entitled "Item Assessment and Development." This interactive session, led by experienced FPSC staff, gave educators the opportunity to work in small groups to develop, critique and present items. Attendees also gained instructional feedback from FPSC in relation to their items.

Providing valuable professional resources

To support CFP® professionals, FPSC revitalized several resources. One is the *FP Standard*, a bi-annual publication exploring ideas, thoughts and trends in the financial planning industry. The *FP Standard* delves into meaningful and relevant topics such as the “fiduciary debate,” financial literacy challenges and the trend of charitable giving.

FPSC developed two new consumer brochures for CFP professionals to purchase and distribute to the public. These concise and colourful pamphlets explore the financial planning process, the benefits of engaging in comprehensive financial planning and the value of working with a CFP professional. These resources have received extremely positive feedback and continue to provide information and support to FPSC’s stakeholders.

Expanding online resources

This past year, FPSC took measures to ensure that fpsc.ca becomes more interactive for visitors. The website received approximately 350,000 visits and accumulated almost two million page views, an increase of 26 per cent over the same period last year.

The Find a Local CFP professional tool remains popular with Canadians seeking a financial planner in their area. This past year, the Find a Local... page had over 17,000 hits and 6,800 unique views. We also revamped the tool so that search results now appear on a Google map tool for easy mapping of results. The Directory of CFP Professionals in Good Standing, which lists all CFP professionals in Canada, now also includes FPSC Registered Candidates.

We expanded our online resources to students and FPSC Registered Candidates. Users can view sample exam questions, which guide them in preparing for the FPE1 or FPE2 examination; there are also webinars that answer candidates’ questions about examinations, and a job board that presents opportunities based on geographic area.

For CFP professionals, the FPSC Online dashboard allows them to log on to a personalized page that prioritizes the messages and documents (e.g. renewal forms) that are relevant to them.

Professionals also visit the Dashboard to download the CFP marks, read sample case studies of ethical challenges and how to deal with them, and to peruse events and jobs in their area.

A photograph of three business professionals sitting at a long conference table in a meeting room. They are engaged in a discussion, looking towards each other. The room has large windows in the background, and the lighting is bright and professional.

Financial Planning Week 2010

FPSC's second annual Financial Planning Week (October 4-10) grew on the success of 2009.

October 4, Toronto: FPSC hosted a Professional Development Day for CFP® professionals; participants received CE credits from FPSC, IIROC and CLU.

October 4, Canada: *the Globe and Mail* newspaper carried FPSC's 10-page colour FPW supplement.

October 5, Toronto: Financial Planning Vision 2020 Symposium provided a forum for industry, regulators and government representatives (Hon. John Gerretsen, Minister of Consumer Services (ON), Hon. John Wilkinson, Minister of Environment (ON), and Norm Miller, Ontario Official Opposition Finance Critic) to discuss topics and issues relevant to the financial planning industry.

October 5, Toronto: 250+ attendees enjoyed the Celebration of the Profession gala.

October 4-10, Canada: CFP professionals used uniquely-designed presentation materials to conduct 28 Financial Planning Health Checkups for Canadians from PEI to Vancouver Island.

October 4-10, Canada: FPSC's six News Canada stories garnered three million hits; pick up of the Week's media releases was wide-spread in national outlets.

Leading the Profession

FPSC remains the authoritative voice for financial planning standards. In July 2010, we ushered in our new certification program which had been years in the making. This path ensures that future CFP professionals will meet the most relevant and rigorous standards of competence. The first-ever sitting of Financial Planning Examination Level 1 was held in November 2010; in June 2011, FPSC will administer the inaugural Financial Planning Examination Level 2. We were also pleased to introduce the new Registered Candidate program, which recognizes and supports individuals as they progress along the path to certification.

Recognized to international standards

In 2010, FPSC maintained ISO 17024 accreditation from the Standards Council of Canada (SCC), demonstrating the continued quality of the CFP certification program. This past year, the SCC conducted on-site audits at FPSC offices and at a test centre.

Quality measures: FPSC's Fairness Commissioner

The role of the Fairness Commissioner is to provide an external point of review for complaints which are not addressed to the satisfaction of the complainant within the FPSC's Complaints Handling Procedures.

Similar to an ombudsperson, the role of Fairness Commissioner is to provide an objective, third-party assessment of the complaint, and to act to reach a fair, impartial solution. Although not binding, the recommended solution shall be given due consideration and weight by both FPSC and the complainant.

The role of the Fairness Commissioner was created upon recommendation by the Standards Council of Canada.

Last administration of the CFP Examination

FPSC had record-high levels of enrollment for the last writing of the CFP Examination (June 12, 2010). Of the 2,208 individuals who wrote the exam, 45.5 percent passed. On July 23, the day FPSC announced the exam results, the FPSC website documented over 6,000 page views. FPSC promoted the successful writers of the CFP Examination in the October 4 *Globe and Mail* Financial Planning Week supplement.

Maintaining high standards with Financial Planning Examination Level 1 (FPE1®)

In November 2010, FPSC administered the first FPE1 to 455 candidates; 76 per cent passed this first administration of FPE1.

The increased pass rate over the CFP Examination was an expected outcome owing to the adjusted expectations of candidates at this earlier step on the path to CFP certification. Candidates receive transcripts of their exam performance by subject area to help guide them as they re-attempt FPE1, or as they move forward along the path to CFP certification.

The new Panel of Examiners for FPE1 (POE1) was vital in developing questions for FPE1.

Implementing the FPSC Registered Candidate program

The Registered Candidate program was rolled out in 2010 to recognize candidates who have passed FPE1 and who remain on track to pursue CFP certification. The program acknowledges the achievements of these individuals and their commitment to completing CFP certification: FPSC Registered Candidates receive wallet cards that proclaim their enrollment in the program.

Like CFP professionals, FPSC Registered Candidates must abide by the *CFP® Code of Ethics* and the *CFP® Financial Planning Practice Standards*, and are subject to enforcement action by FPSC.

Demonstrating competence with Financial Planning Examination Level 2 (FPE2®)

FPE2, the second examination in the new certification program, covers more depth and tests the breadth of a candidate's skills across all of the financial planning competencies. The exam focuses on higher cognitive abilities – the analysis and synthesis functions of planning, and includes both multiple-choice and constructed response question types. Also new for the certification program: FPE2 will be written on laptop computers, which are locked down using specialized testing software.

The new Panel of Examiners (POE2) for FPE2 was instrumental in developing the examination in the past year. A mock exam and mock scoring sessions were conducted this year to analyze FPE2 content, the exam length and the testing software and to determine appropriate scoring rubrics and methodologies. The first sitting will be in June 2011 and will incorporate the learnings from these mock sessions.

Revalidating the *Competency Profile, Code of Ethics, and Practice Standards*

Work is underway to revalidate the *CFP® Competency Profile*, the *CFP® Code of Ethics* and the *CFP® Financial Planning Practice Standards*. Task forces (comprised of FPSC staff, volunteers, and representatives from FPSC's seven member organizations) have reviewed and proposed changes to the documents. A survey to all CFP professionals also went out to solicit feedback on the *Competency Profile*. FPSC plans to release the drafts to the public and industry this spring, and solicit their comments on the proposed changes. The revalidated documents will be officially released in fall 2011.

Enforcement activities

Due in large part to the economic downturn of 2009, as anticipated, there was a 30 per cent increase in the number of complaints that Standards Enforcement received in the past year. Many of these complaints were often triggered by portfolio loss and based upon allegations of unsuitability of investments, which was ultimately unsubstantiated.

Of increasing frequency is the number of complaints that Standards Enforcement received from older complainants, reflective of the aging demographics of Canada as a whole. In many instances, these complaints are based upon discrepancies over initial client directions. This underscores the importance of rigorous and detailed documentation of meetings and instructions.

New to the Standards Enforcement process is the issuance of guidance in the form of Cautions. Cautions are intended to address those situations in which a formal finding of misconduct is unlikely, but a warning is nonetheless warranted. Cautions allow FPSC to provide guidance in accordance with the terms and spirit of the CFP Code of Ethics with the aim of potentially averting future complaints against the CFP professional. Not a public censure,

the Caution is only reported to the CFP professional. However, anonymous case histories are published at www.fpsc.ca to maximize the guidance value. During the past year, Standards Enforcement issued 12 Cautions.

Fitness Standards for CFP professionals

FPSC has formalized specific character and fitness standards for both new and existing licensees. These formalized standards were approved by FPSC Board of Directors in June, 2010. The purpose of the standards is to ensure that an individual's conduct does not reflect adversely upon the profession or the CFP certification marks. In addition, publication of these standards allow individuals to assess whether or not their prior conduct would bar, delay or revoke their certification. For those contemplating CFP certification, it allows them to decide whether or not to embark upon the CFP certification program. Stakeholders can review the Fitness Standards in detail at www.fpsc.ca.

Maintaining vigilance about trademark use

FPSC is active in monitoring trademark violations and CFP professional conduct. Each year a review is made of all non-renewing CFP professionals to ensure they have discontinued the use of all Marks once their CFP certification is no longer valid. In addition, instances of improper use of the Marks in email addresses and on business promotional material that come to the attention of FPSC in the general course of business are promptly addressed.

Certification and Enforcement Statistics

FPSC continuously tracks a variety of data and statistics in order to identify and pro-actively manage trends in certification and enforcement.

Examination Sittings 2006-2010			
YEAR	TOTAL CANDIDATES	SUCCESSFUL CANDIDATES	ANNUAL PASS RATE (%)
2010			
FPE1*	455	346	76.04%
CFP*	2,208	1,004	45.5%
2009	2,301	978	43%
2008	1,576	627	40%
2007	1,800	762	42%
2006	1,896	825	44%

The 2010 CFP® Examination was the last administration under FPSC's previous certification requirements.

CFP Professionals 2006-2010			
YEAR	NEW LICENCEES	LICENCE RENEWALS	TOTAL
2010	1,342	16,758	18,100
2009	636	16,667	17,303
2008	706	16,557	17,283
2007	714	16,369	17,083
2006	811	15,946	16,757

These numbers are accurate as of December 31, 2010. They may vary in previous and future reports to reflect individuals submitting late renewals.

Standards Enforcement As of April, 2011	
ENFORCEMENT STATISTICS	
Cases Under Investigation	17
New Files Opened	13
Cases Closed	10
Cases Resulting in Disciplinary Action	12
Cases Still Under Review	8

Trademark Enforcement As of April, 2011	
UNAUTHORIZED USE CASES*	
Opened	74
Closed	62
Cases Still Under Review	12

*Unauthorized use cases involve instances in which individuals or entities use the CFP marks without being licensed to do so.

Profile of the Profession

Knowing about CFP® professionals ultimately helps us better understand their needs and helps them best serve the Canadian public

Keeping in touch with, and knowing about, the community of CFP professionals is something that FPSC takes seriously.

The following information is culled from the license renewal forms that CFP professionals complete each year. By submitting information such as age, methods of compensation and demographics, FPSC gets a better idea of who these planners are, what they do and where they do it.

FPSC also uses these statistics to identify trends within the CFP professional population.

For example, the increasing percentage of CFP professionals who are over the age of 50 is an issue that FPSC is preparing to address in the coming years.

Additionally, this information is of value to candidates interested in becoming CFP professionals and is useful for members of the media who call FPSC for credible, relevant information on Canada's largest body of professional financial planners.



Who are CFP Professionals	
As of December 31, 2010	
GENDER	
Male	68%
Female	32%
AGE	
Under 25	less than 1%
25 to 34	11%
35 to 49	45%
50 to 64	39%
65+	4%

Languages Spoken in Practice by CFP Professionals	
As of December 31, 2010	
English	98%
Cantonese	5%
French	6%
German	1%
Hindi	1%
Italian	2%
Mandarin	5%
Punjabi	1%
Spanish	1%
Urdu	1%

Other Financial Designations Held by CFP Professionals	
As of December 31, 2010	
CA	7%
CFA	3%
CIM	10%
CLU	12%
CSA	3%
EPC	3%
FMA	12%
PFP (ICB)	9%
RHU	4%
TEP	3%

Business Sectors in which CFP Professionals Work	
As of December 31, 2010	
Financial Planning	39%
Accounting	6%
Bank/Trust	15%
Credit Union	4%
Insurance	11%
Mutual Fund	11%
Securities	10%
Other	4%

Where are CFP Professionals	
As of December 31, 2010	
BY REGION	
Alberta	14%
British Columbia	19%
Manitoba	5%
New Brunswick	1%
Newfoundland & Labrador	1%
Nova Scotia	3%
NWT/Yukon/Nunavut	less than 1%
Ontario	52%
Prince Edward Island	less than 1%
Québec	1%
Saskatchewan	4%
International	1%

How are CFP Professionals Paid	
As of December 31, 2010	
METHODS OF COMPENSATION	
Fee Only	7%
Commission	41%
Fee + Commission	14%
Salary Only	8%
Salary + Bonus and/or Commission	30%

Number of Clients	
As of December 31, 2010	
0-99	25%
100-199	22%
200-299	18%
300+	35%

Years in Financial Planning	
As of December 31, 2010	
2-5 years	7%
6-10 years	15%
11-15 years	24%
16-20 years	18%
20+ years	36%

Gross Earnings	
As of December 31, 2010 (in \$)	
0-9,999	5%
10-49,999	10%
50-74,999	19%
75-99,999	16%
100-149,999	20%
150+	30%

Where CFP Professionals Work The Top 20	
As of December 31, 2010 Listed alphabetically	
Assante	
BMO	
CIBC	
Credential	
Desjardins	
Dundee	
Edward Jones	
Freedom 55	
FundEx	
HSBC	
Investors Group	
IPC	
Manulife	
MD Financial	
National Bank	
Raymond James	
RBC	
Scotiabank	
Sun Life	
TD	

Member Organizations

The Financial Advisors Association of Canada (Advocis)

The Financial Advisors Association of Canada (Advocis) is the oldest and largest voluntary membership association of financial advisors and planners with more than 11,000 advisors and planners in 42 chapters across Canada.

www.advocis.ca

Certified General Accountants Association of Canada

Founded in 1908, the Certified General Accountants Association of Canada is a self-regulating, professional association of 75,000 students and Certified General Accountants (CGAs).

www.cga-canada.org

CMA Canada

CMA Canada represents Certified Management Accountants, CMA candidates and students in Canada. It grants professional designations in management accounting and regulates its members under the authorization of provincial legislation.

www.cma-canada.org

Credit Union Institute of Canada (CUIC)

The Credit Union Institute of Canada (CUIC) is an independent, national educational association owned, funded and controlled by the Canadian Credit Union system. CUIC provides Canadian Credit Unions with professional development programs for their elected officials, management and staff.

www.cusource.ca

Canadian Institute of Chartered Accountants (CICA)

The Canadian Institute of Chartered Accountants (CICA) represents Canada's Chartered Accountants (CAs) profession both nationally and internationally. There are around 78,000 CAs in Canada. The CICA is a founding member of the International Federation of Accountants (IFAC) and the Global Accounting Alliance (GAA).

www.cica.ca

Canadian Institute of Financial Planners (CIFPs)

The Canadian Institute of Financial Planners (CIFPs) is an association of Canadian CERTIFIED FINANCIAL PLANNER® professional licensees. The association is an independent, effective, and powerful advocate for the CFP certification marks and the financial planning profession in Canada.

www.cifps.ca

Institut québécois de planification financière (IQPF)

IQPF protects the financial well-being of Quebec consumers by overseeing the training and qualifications of financial planners. The IQPF is the only organization in Quebec authorized to grant financial planning diplomas and to enforce rules concerning the ongoing professional development of professional financial planners. Only professionals recognized by the IQPF are authorized to use the title of Financial Planner (F.PI.).

www.iqpf.org

Senior Management Team

Cary List, CA, CFP®
President & CEO

John Wickett, PhD
Senior Vice President, Standards & Certification

Tamara Smith, MBA, ABC
Vice President, Marketing & Consumer Affairs

Stephen Rotstein, LL.B.
Vice President, Policy & Enforcement & General Counsel

Heather Terrence, CAE
Director, Operations & Corporate Secretary

Karen Malone, CGA
Director, Finance & Corporate Services

FPSC Board of Directors

June 2010 – June 2011

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Debbie Ammeter, LL.B., CFP®
Vice President, Advanced Financial
Planning Support
Investors Group Financial Services Inc.

Past Chair

Cheryl Bauer Hyde, CFP®
Bauer Hyde Financial Services

Vice Chair

Jim Kraft, CA, CLU, TEP, CFP®
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President

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Senior Financial Planner and Investment Advisor
Solguard Financial Ltd. / PEAK Securities Inc.

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FAB Financial Advisors Brokerage Group Inc.

John P. Charrette, CFP®
Financial Advisor
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Ellen Roseman
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The Toronto Star

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Angus Watt Advisory Group
National Bank Financial

Sally J. Rycroft, CGA, R.F.P., CFP®
President
Rycroft & Associates, Inc.

Lisa Pflieger, CGA, TEP, CFP®
Department Leader of Financial Planning
Edward Jones

Independent Auditors' Report on Summarized Financial Statements

To the Stakeholders of
Financial Planning Standards Council

The accompanying summarized financial statements, which comprise the summarized balance sheet as at March 31, 2011, the summarized statement of operations and changes in unrestricted net assets and cash flows for the year then ended, are derived from the audited financial statements of **Financial Planning Standards Council** for the year ended March 31, 2011. We expressed an unmodified audit opinion on those financial statements in our auditors' report dated June 23, 2011.

The summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles applied in the preparation of the audited financial statements of **Financial Planning Standards Council**. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of **Financial Planning Standards Council**.

Management's responsibility for the summarized financial statements

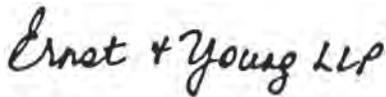
Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian generally accepted accounting principles.

Auditors' responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants.

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of **Financial Planning Standards Council** for the year ended March 31, 2011 are consistent, in all material respects, with those financial statements, in accordance with Canadian generally accepted accounting principles.

The logo for Ernst & Young LLP is written in a black, cursive script font.

Chartered Accountants
Licensed Public Accountants
Thornhill, Canada,
June 23, 2011

Financial Statements



FINANCIAL PLANNING STANDARDS COUNCIL

Incorporated under the laws of Canada as a corporation without share capital

SUMMARIZED BALANCE SHEET

As at March 31

	2011 \$	2010 \$
Assets		
Current assets	7,527,360	6,486,675
Investments	2,216,737	2,380,678
Capital assets, net	901,926	858,419
Intangible assets	15,000	15,000
	10,661,023	9,740,772
Liabilities and Net Assets		
Current liabilities	6,338,618	6,053,838
Long-term liabilities	9,319	14,015
	6,347,937	6,067,853
Net assets		
Internally restricted invested in capital assets	901,926	858,419
Internally restricted contingency reserve	1,614,526	1,055,297
Unrestricted	1,796,634	1,759,203
Total net assets	4,313,086	3,672,919
	10,661,023	9,740,772

SUMMARIZED STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS

Year ended March 31

	2011 \$	2010 \$
Revenue		
Certification fees	5,289,875	4,918,123
Examination fees	1,586,875	1,389,300
Investment income	175,026	120,948
Sponsorships	160,000	23,250
Other revenue	70,473	3,064
Education revenue	43,165	55,734
	7,325,414	6,510,419
Expenses		
Human resources	3,191,953	2,502,950
Standards and certification	1,001,472	793,142
Marketing and consumer affairs	990,283	770,698
Governance	619,968	556,878
Office overhead	602,228	557,565
Amortization	251,628	218,582
Policy and enforcement	27,715	47,564
	6,685,247	5,447,379
Excess of revenue over expenses for the year	640,167	1,063,040
Unrestricted net assets, beginning of year	1,759,203	798,081
Change in internally restricted invested in capital assets	(43,507)	(46,621)
Transfer to contingency reserve	(559,229)	(55,297)
Unrestricted net assets, end of year	1,796,634	1,759,203

SUMMARIZED STATEMENT OF CASH FLOWS

Year ended March 31

	2011 \$	2010 \$
Cash provided by operating activities	1,289,709	1,557,481
Cash provided by (used in) investing activities	(887,681)	2,361,768
Cash used in financing activities	(4,290)	(4,845)
Net increase in cash during the year	397,738	3,914,404
Cash, beginning of year	4,658,820	744,416
Cash, end of year	5,056,558	4,658,820



Established in 2005, the Foundation for Canadian Financial Planning Research and Education set out to support financial planning research within the academic community. Now named the FPSC Foundation, its mission is to promote research and education on financial planning for the benefit of all Canadians.

The Foundation is driven by the following strategic themes and activities:

- Identifying gaps in relevant research, challenging conventional wisdom and creating opportunities for innovation.
- Facilitating new technical and behavior research on financial planning, resulting in unbiased, independent sources of research.

- Disseminating relevant research, ensuring credible, relevant information will be accessible to the public.
- Creating a central repository to better equip financial planners.
- Documenting new trends in financial planning so that consumers can understand and appreciate how they may be relevant to their personal financial situation.

The Foundation's vision is for all Canadians to make better financial decisions. Visit www.fpscfoundation.ca for more information.



Message from the FPSC Foundation Chair

This year was an exciting one for the FPSC Foundation as we implemented several projects that bring it closer to fulfilling its mission. A new Board of Directors was established, and the Foundation collaborated with PlanPlus Inc. to conduct an environmental scan of existing financial planning research and what areas need more focus.

A survey was sent out to CFP professionals who were asked to help the Foundation target the focus of its work. I was pleased to see the response from CFP professionals as they took an active interest in helping the Foundation create a focal point.

The Foundation had a booth during Financial Planning Week's Vision 2020 Symposium, which allowed us to talk with stakeholders interested in learning more about the Foundation's vision.

Our second annual fundraising campaign, targeting CFP professionals as they complete their license renewals, saw an increase of approximately 50% from the previous year. These contributions allow the Foundation to continue its work. We look forward to sharing results of the Foundation's progress.



Peter Volpé, CFP®
Senior VP, Integra Capital Financial

FPSC Foundation Board of Directors June 2010 – June 2011

Chair

Peter Volpé, CFP®
Senior VP
Integra Capital Financial

Vice Chair:

Debbie Ammeter, LL.B., CFP®
VP, Advanced Financial Planning Support
Investors Group Financial Services Inc.

Secretary & Treasurer:

Cary List, CA, CFP®
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Financial Planning Standards Council

Cheryl Bauer Hyde, CFP®
Bauer Hyde Financial Services

Alan Goldhar, CGA, CFP®
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Jury Kopach
Professor, York University

Jim Kraft, CA, CLU, TEP, CFP®
Vice President, BMO Life Assurance Company

Ellen Roseman
Business Columnist, The *Toronto Star*

Independent Auditors' Report on Summarized Financial Statements

To the Board of Directors

FPSC Foundation

The accompanying summarized financial statements, which comprise the summarized balance sheet as at March 31, 2011, the summarized statement of operations and changes in unrestricted net assets and cash flows for the year then ended, are derived from the audited financial statements of **FPSC Foundation** for the year ended March 31, 2011. We expressed an unmodified audit opinion on those financial statements in our auditors' report dated July 13, 2011.

The summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles applied in the preparation of the audited financial statements of **FPSC Foundation**. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of **FPSC Foundation**.

Management's responsibility for the summarized financial statements

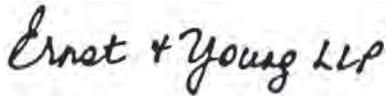
Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian generally accepted accounting principles.

Auditors' responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants.

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of **FPSC Foundation** for the year ended March 31, 2011 are consistent, in all material respects, with those financial statements, in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants
Thornhill, Canada,
July 13, 2011.

Financial Statements

FPSC FOUNDATION

Incorporated under the laws of Canada as a corporation without share capital

SUMMARIZED BALANCE SHEET

As at March 31

	2011 \$	2010 \$
Assets		
Current assets	123,551	62,055
Capital assets, net	969	—
	124,520	62,055
Liabilities and Net Assets		
Current liabilities	8,918	10,079
Net assets		
Internally restricted invested in capital assets	969	—
Unrestricted	114,633	51,976
	124,520	62,055

SUMMARIZED STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS

Year ended March 31

	2011 \$	2010 \$
Revenue		
FPSC contribution	50,000	—
Received donations	41,914	15,990
Non-receipted donation	—	20,000
Interest income	196	183
	92,110	36,173
Expenses		
Research fees	8,691	—
Audit	7,923	8,920
Consulting and creative	4,156	2,595
Legal	3,719	8,635
Bank service and credit card charges	2,645	491
Printing	987	—
Conference calls	220	147
Amortization	113	—
Office	30	10
Award donation	—	10,000
Meeting and travel	—	3,226
Production, photography and graphics	—	1,050
	28,484	35,074
Excess of revenue over expenses for the year	63,626	1,099
Net assets, beginning of year	51,976	50,877
Change in internally restricted invested in capital assets	(969)	—
Unrestricted net assets, end of year	114,633	51,976

SUMMARIZED STATEMENT OF CASH FLOWS

Year ended March 31

	2011 \$	2010 \$
Cash provided by operating activities	42,271	11,178
Cash used in investing activities	(1,082)	—
Net increase in cash during the year	41,189	11,178
Cash, beginning of year	62,055	50,877
Cash, end of year	103,244	62,055



FPSC FINANCIAL
PLANNING
STANDARDS
COUNCIL®

Financial Planning Standards Council

902-375 University Avenue
Toronto, ON M5G 2J5

Telephone: 416 593 8587

Toll Free: 1 800 305 9886

Email: inform@fpsc.ca

Website: www.fpsc.ca

