



Human Resources
Professionals
Association

2015 Annual Report & Financial Statements





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KEY STATISTICS (AS AT NOVEMBER 30)

	2015	2014	2013
Financial Performance (\$'s)			
Revenue	\$15,274,061	\$14,545,805	\$12,203,209
Operating Surplus (Deficiency)	\$1,057,190	\$119,437	\$158,508
Investment Income	\$543,351	\$858,730	\$672,754
Net Assets	\$10,270,928	\$8,670,387	\$6,155,752
Regulatory Stats			
Complaints processed	5	11	7
Discipline cases processed	2	1	3
Registrant (Membership) Stats			
CHRE (SHRP)	213	171	152
CHRL (CHRP)	9,325	9,302	9,110
CHRP (CHRP Candidate)	4,442	3,308	3,225
Student	2,513	2,720	2,489
Other	5,879	5,373	5,427
Total Registrants	22,372	20,874	20,403
Year-over-year growth	7%	2.3%	4.0%



MESSAGE FROM THE CHAIR

Brenda Clark, CHRE
HRPA board chair

BUILDING A PROFESSIONAL REGULATORY BODY

If building the HR profession is akin to constructing a cathedral—a massive undertaking involving many decades and multiple generations of workers—then HRP is still at an early stage.

But while it's early days for HR as a profession, HRP has laid a solid regulatory foundation on which to build, including Rules of Professional Conduct, an overhaul of our regulatory processes, a new HR certification framework and designations—and the cornerstone of our “cathedral”, passage of the *Registered Human Resources Professionals Act, 2013* which provides government sanction to regulate the profession in the public interest.

SO WHAT'S NEXT IN THIS GRAND PROJECT?

The Act puts HRPAs in the same professional league as accountants, lawyers, and engineers, but not the same level - (yet). There is still some work for us to do. According to HRPAs's professionalization plan, which was presented to the HRPAs board late last year, a big step forward will involve achieving full compliance with the new act. Although we had put in place most of what the Act required, before it was passed there were a number of new regulatory obligations added such as the registration and regulation of firms, the review of bankruptcy and insolvency events, and practice inspections, to name a few.

RISK-BASED REGULATION

Once we have achieved full compliance with the Act, the next step will be to introduce a risk-based approach to professional regulation—minimizing and mitigating the risks posed to the public and users of HR professional services stemming from the practice of the profession. To do this well, our first step will be conducting studies to identify and quantify the risks posed to the public and users of HR professional services.

For example, this could involve exploring potential risks stemming from:

- Employment tests. Are HRPAs members sufficiently trained to use employment tests at a professional level? If not, do we develop practice standards for using them and/or require mandatory post-designation training?
- Employment contracts Are employment contracts well-written—protecting the interests of both employer and employee? Do we need to create practice standards around employment contracts?
- Handling sexual harassment allegations in the workplace. Should we expect our members to do more than just 'abide by the law?' Do we need to create practice standards around handling sexual harassment in the workplace?

EXTERNAL ASPECTS

HRPA has made great progress in establishing itself as a regulator and ensuring that its CHRPs, CHRLs and CHREs are competent, professional and duly governed and regulated. However, the heavy lifting for our professional cathedral is still to come: educating and convincing the public (employers, employees, and other stakeholders) that this is the case. The public must see HRPAs-registered HR professionals as demonstrably and consistently competent and ethical, understand that HR is a regulated profession and have confidence in its regulatory body—HRPA.

We do have the strong foundation to deal with today's business challenges effectively. They require HR strategy and execution and those demand the skills and knowledge of HR professionals. The demonstrable value delivered by Certified Human Resources Professionals, Certified Human Resources Leaders and Certified Human Resources Executives is ultimately the best marketing tool we have to bring attitudes about our profession in line with our new validated competency and capability.

So as you see, we are continuing to build our cathedral that the public we serve will look to for HR expertise. These are certainly exciting times for all of us.



MESSAGE FROM THE CEO

Bill Greenhalgh
CEO, HRP

As anyone who has visited HRP's Toronto offices over the past year can attest, our Yorkville neighbourhood is undergoing serious transformation. Just behind us on Cumberland Avenue, construction crews spent much of 2015 laying the foundation and installing utilities for a condo/retail project that will bring real change to the area.

Last year was much the same for HRP. Over 2015, the Association finished up the aspirational objectives we set out for ourselves in the 2012 strategic plan so we can begin transitioning to our new strategy and the inspirational and outward-looking work of building the HR profession. Last year, we completed work on the three pillars that underpin our grand project of building a true profession that brings quantifiable HR value, including:

1. ENRICHING THE MEMBER EXPERIENCE

With an aim of building member capability and the credibility of our designations, in late 2014 HRP released an updated HR competency framework and three new designations that meet the needs of modern HR practice. Last year was spent transitioning from the original CHRP designation to the new CHRP, CHRL and CHRE certifications: replacing the old NKE exam with new CKE 1 and CKE 2 exams that test applied knowledge for the new designations; developing new curricula and criteria for the new designations; promoting the new designations among both Ontario and Canadian HR professionals and organizations; and laying the groundwork for international partnerships to work towards a global body of HR knowledge based on common standards.

The results of this new push are bold and quantifiable. HRPAs membership grew by 7 per cent and retention climbed to 91 per cent—clear evidence of the support members have for the Association’s direction around designations.

2. IMPROVING PROTECTION OF THE PUBLIC

A key professional counterpart to building capability and credibility is establishing HRPAs as a credible regulator that protects the public interest by governing and regulating the practice of members. Last year HRPAs continued this work by developing a professionalization plan that sets out steps to achieve full compliance with the regulatory requirements in the *Registered Human Resources Professionals Act, 2013*, as well as introducing a risk-based approach to professional regulation.

3. EXPAND HRPAs INFLUENCE IN PUBLIC POLICY

The third cornerstone of HR professionalization is building HRPAs influence with stakeholders including government, business, the public and other professions by creating a credible voice and expanding government relations. Last year HRPAs continued this work by releasing several whitepapers making recommendations around workplace issues such as Employment Standards Act updates and the Ontario Retirement Pension Plan. It also made important submissions to government consultations including the Ontario budget, sexual harassment in the workplace and workplace mental health.

LOOKING FORWARD: NEW STRATEGIC PLAN

HRPAs past two strategic plans were all about building association efficiency (sound financials, engaged volunteers/employees, governance) and effectiveness (new designations/competency framework, a public act and increasing government influence) to create the foundation on which to build the HR profession.

Our new plan represents the next phase of HRPAs strategy to “professionalize” the HR profession, including work towards a common global body of knowledge and information campaigns to ensure everyone—HR professionals, government, business and the public—understands that HR

is a genuine profession with unique skills and capabilities that bring value to organizations through people strategies.

Ultimately, it means creating an environment where career HR professionals—and specifically designated HR professionals—are routinely picked for the Chief Human Resources Officer job, and outdated ideas that “anyone can do HR” are forgotten.

VIRTUOUS CIRCLE

So how will we achieve this goal? All the work we do around regulating the profession and protecting the public, creating and issuing designations that validate capability, and building association credibility with stakeholders work in concert to drive membership among all HR practitioners across Ontario (and beyond). The more members we have displaying the best in HR capability (capability rooted in strong designations) drives confidence in HRPAs, its members and designations. More members regulated by HRPAs improves protection of the public and association/regulatory credibility.

And all of the above working together drives professionalism—both in how HR professionals view themselves and (more importantly) how the public sees us. Each objective feeds and builds on the prior one so as you move around the virtuous circle, the synergy increases and we spiral upwards.

Like a condo or a cathedral, professions aren’t built in a day, but they all require solid foundations on which to build. HRPAs has laid the cornerstones, but designated members will be the mortar that binds it all together.



ENRICHING THE MEMBER EXPERIENCE

Increasing career opportunities. Building engagement. Creating value for members.

One of HRPAs primary roles is enhancing our members' experience—building member capability and the credibility of our designations, improving member engagement and creating member benefits to encourage all Ontario HR professionals to join the Association.

In late 2014, HRPAs introduced one of the most modern HR competency frameworks in the world to meet both 21st century business needs and the high expectations now placed on HR professionals. At the same time, the Association introduced three new designations based on the framework that align with the updated body of knowledge, and the ability to apply that knowledge, at three levels of human resources practice/designation: entry-level (CHRP), professional-level (CHRL) and executive-level (CHRE).

The most immediate impact on this monumental change has been on HRPAs membership numbers which climbed seven per cent (with member retention climbing to 98 % for designated members) since we launched October 2014. And as of November 30, 2015, HRPAs had 13,980 designated members subject to the CPD requirement. These stats, combined with last year's 4.5 member satisfaction score, are clear evidence of the strong support members (including many new members) have for HRPAs efforts to modernize a certification framework that hadn't been updated in 15 years and the value they see in the new designations.

At the same time, reaction from both the business and academic community have been equally welcoming. We surveyed senior business leaders asking them how the new framework and designations would affect their view of HR – over half answered "Very Favourably." And schools have welcomed our new competency model because it's well defined and spells out what HR professionals need to know and do. We are currently working with authors on new HR text books based on the new competency model and the academic requirements to earn the new HR designations.

INCREASING CAREER OPPORTUNITIES

Increasing career opportunities for members by enhancing capability and credibility of designations.

2015 HIGHLIGHTS

- Replaced the National Knowledge Exam (NKE) with two updated exams based on the new Competency Framework—the Comprehensive Knowledge Exam 1 (CKE 1) (for CHRPs) and the Comprehensive Knowledge Exam 2 (CKE2) (for CHRLs)—to more accurately assess capability and strengthen the credibility of our designations. Last year saw 2,865 CKE 1 and CKE 2 exam writers
- Granted 1,781 new CHRPs, 320 CHRLs, and 34 CHREs
- Reworked the Certified Human Resources Executive (CHRE) processes based on the new Competency Framework to streamline the procedure for obtaining the designation for deserving leaders
- Developed and vetted a new curriculum and criteria for program accreditation for the CHRP and CHRL designations
- To increase awareness of HRPAs designations in Ontario and across Canada we launched an extensive print ad campaign promoting the new CHRP, CHRL and CHRE designations. The campaign delivered 35,000 unique visitors to hrdesignations.ca from inside Ontario, and 4,500 from outside Ontario (29% from Quebec, 25% from Alberta and 23% from BC)
- In our work towards a global body of HR knowledge based on common standards, HRPAs signed a Memorandum of Understanding with Australian and New Zealand HR associations that initiates a closer working relationship between the three organizations. HRPAs also had preliminary discussions with CIPD (UK) and the South Africa Board for People Practices (SABPP) regarding enhanced collaboration and exchange around HR competency frameworks



MEMBER ENGAGEMENT

Improving member engagement to drive retention and growth.

2015 HIGHLIGHTS

- Provided volunteer opportunities—working at the annual conference, mentoring, organizing chapter events, supporting our regulatory framework to charting the direction for the profession as a Board Director—for more than 1,000 member volunteers

MEMBER BENEFITS

Creating member benefits with clear value equations to encourage HRPAs membership for all Ontario HR practitioners.

2015 HIGHLIGHTS:

- Hosted 18,590 professional development attendees at around 250 events, including webinars, seminars and workshops. This 159% increase in attendance is due to HRPAs producing more online events that are accessible to members across the province and by attracting third party sponsorship to allow HRPAs to make this learning more affordable for members. HRPAs also launched several new PD offerings, including the Cultural Competency e-learning program and a Pay Equity Certificate program;

and introduced an HRPAs Speaker Bureau so chapters can provide members with consistent, high quality professional development at the chapter level

- Thirty-two per cent of HRPAs registrants, or nearly 7,000 individuals, attended at least one chapter PD event
- To provide quality, in-class professional development to members across Ontario, HRPAs produced a multi-city PD tour featuring some of the Association's popular in-class programs presented at locations across Ontario
- Hosted several executive programs (with over 280 senior leaders attending), including the CHRO Author Luncheons and Dinner Series, featuring notable authors including Bill Conaty, Ron Capelle and Steve Jacobs
- Introduced the CKE 1/CKE 2 Study Programs and Exam Writing Prep programs to assist members writing the Comprehensive Knowledge Exam 1 and 2
- Launched PD-In-the-Park—a new summer learning initiative featuring outdoor PD sessions in Toronto's High Park
- Completed several IT upgrades to increase member customer service performance. Upgrades included implementing a Payment Card Industry (PCI) Compliance training program to enhance credit card information control and security at HRPAs; and upgrading the HRPAs office wifi to better serve members attending events



2015 ANNUAL CONFERENCE & TRADE SHOW

Under the theme of The Business of HR, **HRPA's 2015 Annual Conference & Trade Show** was another great success and featured 150+ professional development sessions across all HR disciplines to build delegate capability. To help members make new contacts and maintain old ones, the conference also included a Chill Night networking event, plus thought-provoking and inspirational keynotes across a broad section of topics. They included Dr. Nick Bontis, on productivity in an age of informational overload; Scott Stratten on how to turn your staff into brand ambassadors; and Steve Gilliland on how to positively influence people.

Last year's conference also featured three well-attended bonus events to help advance evidence-based HR practice: an employment law panel on Workplace Harassment moderated by *Globe and Mail* editor Edward Greenspon; a Caregiver-Friendly Workplaces Expert Panel Discussion + Workshop exploring how supporting employees balancing work and elder care is good for business; and Dr. Ginger Grant on corporate culture and creativity.

And in partnership with *Canadian HR Reporter*, HRPA created a series of video interviews with conference keynote and seminar speakers.

HRPA's 2015 Annual Conference saw a **90% delegate satisfaction rate**.





IMPROVE PROTECTION OF THE PUBLIC

Establishing HRPAs as a fully credible regulatory association

As set out in the *Registered Human Resources Professionals Act, 2013*, HRPAs's primary objects are to promote and protect the public interest by governing and regulating the practice of members and firms, including developing and enforcing standards of qualification, practice, professional ethics, knowledge, skill and proficiency; and regulating the practice, competence and professional conduct of HRPAs members.

Alongside HRPAs's updated competency framework, global body of knowledge and new designations, the Association's regulatory work in protecting the public interest—and acting as stewards of excellence for the HR profession in Ontario—is key to advancing the HR profession as a true profession. Regulation also enhances the professional profile of designated HRPAs members with the public, business, government and other stakeholders.

Last year a key advance in this important work was the development of a 3-year professionalization plan based on the results of the Gold Standard Regulatory Practices Self-Assessment. The plan involves HRPAs's ongoing efforts to achieve full compliance with the Act, including improving regulatory practices around the registration and regulation of firms, the review of bankruptcy and insolvency events, and practice inspections to name a few. HRPAs will also begin the process of introducing a risk-based approach to professional regulation to HRPAs.

KEY 2015 REGULATORY FACTS AND NUMBERS

Besides the core policy development function, there are four operational functions which comprise HRPAs's regulatory framework:

1. Registration and certification;
2. Quality assurance and verification;
3. Complaints and discipline (including capacity); and
4. Stakeholder relations.

These facts and numbers illustrate how HRPAs regulates members in the public interest and contributes to the regulatory side of the ongoing professionalization of the HR profession.

REGISTRATION AND CERTIFICATION

- 22 referrals to the Registration Committee (Registration was denied in two cases, and terms and conditions were placed on an applicant's registration in a third case)
- 20 CHRPs + 39 CHRLs granted through mutual recognition agreements
- 2,352 notices of suspension due to non-payment of dues issued (as well as 1,314 notices of revocation issued due to non-payment of dues)
- 850 resignations
- 74% of HRPAs members are designated (14,626)

QUALITY ASSURANCE AND VERIFICATION

- 13,980 designated members subject to CPD requirements
- 95% overall CPD compliance rate
- 89 CPD logs were selected for random audits. Of those:
 - Two did not submit the required documentation and thus were revoked
 - Two resigned their designations
 - All others submitted documentation as requested. Of those, 52 passed the initial audit and 33 required further documentation or activities

COMPLAINTS AND DISCIPLINE

- 5 professional complaints filed with HRPAs (none led to referral to the Discipline Committee)
- 1 discipline case disposed of by Discipline Committee (it had begun in 2014)
- First hearing held for one discipline case
- 1 referral made to the Capacity Committee

STAKEHOLDER RELATIONS

The Office of the Registrar has introduced enhanced quality verification steps for HRPAs's Public Register. The new verification steps ensure the Register remains accurate and trustworthy at all times.

APPEALS

- 9 appeals filed (none were successful)

ENHANCING OUR REPUTATION AS A BENCHMARK FOR PROFESSIONAL ASSOCIATION EFFECTIVENESS

To more effectively deliver member value and provide stronger support for volunteers at both the provincial and chapter levels, HRPAs continually work to upgrade its governance practices, benchmarking them against the “best in class” policy and strategy boards; upgrading board and chapter director selection processes, assessing skill needs and gap identification, evaluating performance and development requirements; and creating clarity in board/staff role definition.

Over 2015, HRPAs continued to raising its reputation as a benchmark organization by:

- Developing and implementing a process to increase member voter turnout and engagement/participation for the 2015 board elections which resulted in a record voter turnout
- Upgrading the process of electing board members and developing a skills matrix to enhance board competencies to more effectively serve the HRPAs membership
- Recruiting a new Board Nominating Committee (BNC)
- Updating By-laws and Chapter Operating Terms
- Auditing chapter compliance to operating terms and onboarding process (specifically terms of office, elections, and execution of board roles) to improve the chapter experience and ensure consistency across all chapters

CONSOLIDATION OF HRPAs AND CHAPTER FINANCIALS

To ensure the integrity of HRPAs's non-profit status and improve the Board's financial oversight, HRPAs consolidated all chapter and Association financials, including centralizing all banking and investing, payables, receivables, financial reporting and auditing. HRPAs accomplished this over 2015 by:

- Successfully centralizing all chapter financials, including closing of all chapter bank accounts. All financial processes are now coordinated through HRPAs, including payroll, accounts payable, accounts receivable, HST matters, financial statement compilations and audits
- Creating several financial-related policies for chapters, including corporate credit card policy, petty cash and cash advance policy, chapter accounts receivable/invoicing and collections policy
- Implementing a standardized chapter budgeting process, which will help to provide consistencies across all chapters and provide a uniform member experience

EXPAND HRPA INFLUENCE IN PUBLIC POLICY

Creating a credible voice. Expanding government relations. Strengthening member ability in a borderless world.

A key pillar in HRPA's strategy is expanding HRPA influence in public policy—creating a credible message that influences policy in members' interests; expanding relationships with government to ensure our voice is heard; and developing the Association as a globally aware organization that strengthens members' ability to function in a borderless world.

In 2015, HRPA continued this work building the Association's influence in setting public policy to ensure legislative and regulatory decisions reflects the needs of members, organizations and the profession; as well as providing thought leadership and research around HR issues affecting Ontario workplaces.

A key accomplishment of Public Affairs was successfully lobbying the Ontario legislature to amend our new Act—the *Registered Human Resources Professionals Act, 2013*—to add the new CHRL and CHRE designations to better protect and enhance members' professional standing.

CREDIBLE VOICE

Create a credible HRPA voice that contributes to public policy in the interests of our members, organizations and profession.

2015 HIGHLIGHTS

A New Deal for Ontario's Changing Workplaces – A report recommending updates to Ontario's Employment Standards Act and Labour Relations Act to make Ontario a more competitive business environment and provide better protection for precarious workers.

HR Professionals Say “No” to Ontario Pension Plan –

An HRPA-member survey on the Ontario government's Ontario Retirement Pension Plan (ORPP). Fifty-five per cent of surveyed members were against the ORPP.

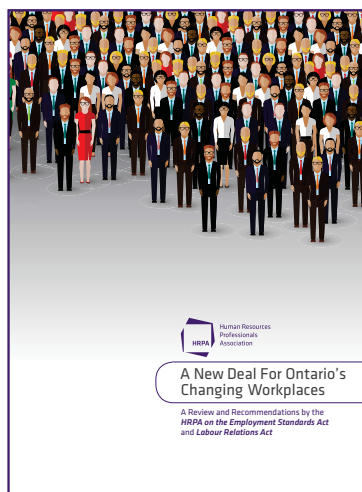
Apprenticeship Reform – Ontario's Future Depends on It – Submitted a white paper for the Tony Dean Review of the Ontario College of Trades—a review of key areas of Ontario's skilled trades system within the mandate of the Ontario College of Trades.

EXPANDING GOVERNMENT RELATIONS

Continued expansion of our relationships with government to ensure our voice is heard.

HRPA continued to align itself as a trusted government partner on workplace issues, as well as build relationships with non-government agencies and associations to leverage our influence on public policy to ensure the profession's interests and insights were considered. In 2015, HRPA participated/partnered in the following:

- Ministry of Finance - 2015 Ontario Budget Submission
- Ontario Chamber of Commerce - Ontario Retirement Pension Plan (ORPP) submission
- Ministry of Labour - Sexual Harassment in the Workplace Survey
- Ministry of Labour - “Code of Practice” Advisory Panel for new Sexual Harassment in the Workplace Legislation
- Ministry of Labour - Minister's Workplace Mental Health Leaders Roundtable



ENGAGED VOLUNTEERS

Volunteers are the backbone of HRPAs and engaged volunteers are one of the foundational bases of our strategic plan. Every year, over 1,000 members and members of the public conduct much needed work on behalf of the Association and the Profession, Volunteer opportunities include working at the annual conference, mentoring, organizing chapter events, supporting our regulatory framework to charting the direction for the profession as a Board Director.

Last year we established HRPAs' Volunteer Management Program which describes the pathway to excellence in volunteer engagement and recognition. **We believe are the five elements to volunteer success:**

1. Planning
2. Recruitment and Selection
3. On boarding and Development
4. Assessment, and
5. Recognition

As part of the planning component we have certainly achieved great strides in 2015. Specifically in areas where there was a limited consistency with regards to volunteer management.

Some of our 2015 success include:

- Ensuring our volunteers are reflected in the Associations strategic plans
- Developed the volunteer management program to ensure all aspects of volunteerism with HRPAs are incorporated into future plans
- All 28 chapters became compliant with HRPAs Chapter Operating Terms
- Role descriptions were developed for Chapter Boards
- The Association managed ten chapter elections and opened participation in chapter volunteerism at the chapter board level to all association members or registrants

The Five Elements to Volunteer Success



COMMITTED STAFF

We are very proud of the employee culture we've created at HRP. With the establishment of our Ethos Committee—a committee that is completely made up of staff from all departments within HRP—we have achieved great strides in the area of social responsibility while fulfilling our commitment to enhancing communication among staff.

Employees are part of HRP's foundational core. HRP exercises careful hiring selection based on our culture of Shared Values to maximize long-term staff retention. We do this by maintaining an open door policy and engaging all staff through regular all staff meetings, where we provide regular updates and encourage open and free communication among all levels.

In 2015, we used a third-party to conduct our employee engagement survey and our commitment to our employee culture was evidenced by our highly impressive 87 percent engagement score. As part of our commitment to open and honest communication we immediately share the results of the survey as well as any comments with our entire staff at the close of the survey. There is careful instruction at the onset to ensure that individuals do not use names and keep a respectful tone when addressing issues. We have found that the transparency around the survey has greatly enhanced trust within the organization.

One of our most successful initiatives is our internal rewards program. We have a traditional reward program based on milestone achievements, which starts at the onboarding stage and ends at an employee's 25 year anniversary. We also have a peer recognition program. Through the HRP's member rewards card, each employee is encouraged to recognize individuals who have displayed commitment to the organizations shared values and objectives. The recognitions are then announced at staff meetings. Last year 27 employees were recognized by their peers for their exceptional work.

Through employee fundraising the ethos committee was able to bring in Helping Hands, which conducted a half-day team-building exercise where HRP staff broke out into cross departmental teams to build prosthetic hands for amputees and land-mine victims in the developing world.

Our conference centre is also committed to social responsibility. All of our remaining food is packaged and picked up by volunteers from a local soup kitchen. The food is then distributed to those in need through their Drop-In Meal Program.



SOME OF THE OTHER INITIATIVES DRIVEN BY STAFF WERE:

- Two highly successful annual food drives for the daily bread food bank
- Every Wednesday HRPAs employees “Dress Down for a Cause” our causes this year included:
 - Dedicating funds through Plan Canada to our Sponsor child in Kenya
 - Fundraising towards the Red Cross Syrian Relief Fund



SUMMARY CONSOLIDATED BALANCE SHEET

NOVEMBER 30, 2015, WITH COMPARATIVE INFORMATION FOR 2014

	2015	2014
Assets		
Current assets:		
Cash	\$ 367,273	\$ 366,058
Short-term investments	5,783,431	3,850,000
Accounts receivable	648,548	2,647,065
Prepaid expenses	756,837	666,555
	7,556,089	7,529,678
Long-term investments	9,678,708	7,734,606
Capital assets, net	2,403,874	2,071,211
Security deposit	250,000	250,000
	\$ 19,888,671	\$ 17,585,495
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,979,901	\$ 1,737,693
Deferred revenue	6,840,884	6,274,195
	8,820,785	8,011,888
Deferred rent	796,958	903,220
Net assets:		
Invested in capital assets	2,403,874	2,071,211
Internally restricted	2,636,888	2,773,112
Contingency fund	4,865,166	2,309,910
Unrestricted	365,000	1,516,154
	10,270,928	8,670,387
	\$ 19,888,671	\$ 17,585,495

SUMMARY CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED NOVEMBER 30, 2015, WITH COMPARATIVE INFORMATION FOR 2014

	2015	2014
Revenue:		
Membership and member services	\$ 7,704,873	\$ 7,102,442
Annual conference	3,530,984	3,691,028
Regulatory affairs	1,580,918	1,146,103
Professional development and support programs	1,452,044	1,431,245
Chapter activities	434,014	613,015
Publications, communications and marketing	389,073	383,087
Administration	182,155	178,885
	15,274,061	14,545,805
Expenses:		
Administration	2,932,028	2,825,606
Annual conference	2,563,061	2,390,072
Chapter activities and relations	2,055,539	2,577,018
Regulatory affairs	1,259,609	961,039
Professional development and support programs	1,158,250	1,265,495
Publications, communications and marketing	1,078,851	800,272
Amortization	773,561	746,173
Office space and utilities	740,231	703,986
Membership and member services	738,706	843,614
Board and board committees	582,132	551,082
Public affairs and research	334,903	546,451
National levies and support	-	215,560
	14,216,871	14,426,368
Excess of revenue over expenses before investment income	1,057,190	119,437
Investment income	543,351	858,730
Excess of revenue over expenses	\$ 1,600,541	\$ 978,167

Note:

Copies of the complete November 30, 2015 audited financial statements, including the auditors' report, are available at the Human Resources Professionals Association's office or can be requested by emailing finance@hrpa.ca.

FINANCIAL OVERVIEW – FISCAL YEAR 2015

Effective December 1, 2015, the financial transactions of the 28 chapters of HRPAs have been consolidated as part of these statements. As a result of this change, various figures for fiscal year 2014 were recast in order to reflect the consolidated comparative information opening balances. The 2014 chapter balances, as consolidated, are unaudited and marked as such for comparative purposes only.

HRPA ended fiscal year 2015 with a surplus of \$1,600,541 compared to a surplus in fiscal year 2014 of \$978,167. Operating revenue for the year increased by 5.0 per cent over the previous year, or \$728,256, while expenses decreased by 1.5 per cent, or \$209,497. Investment income for the year decreased over the previous year due to a lower market returns during the year. Overall, HRPAs continues to maintain a very healthy financial position with net assets totalling \$10,270,928. Following are highlights of some key variances year-over-year:

BALANCE SHEET

- Short term investments were higher than the previous year, due to strong cash inflows during the year.
- Accounts receivable were lower than the previous year, due to the centralization of chapter financials and the settlement of receivables from chapters.
- Prepaid expenses relate to the annual conference, insurance, software maintenance, licenses, and other costs having future benefits; overall, the total for these amounts was higher than the previous year due to increased annual conference payments as well as new chapter-related event expenses.
- Long-term investments were higher than the previous year due to a transfer-in of \$1.5 million during the year, coupled with strong market returns during the year.
- Capital assets increased due to new work-in-progress for system upgrades and new programs, along with routine purchases.
- Security deposit relates to an initial deposit that was required as part of the new office lease agreement in 2011. The remaining balance of the deposit (\$250,000) is being held by the landlord for the duration of the lease term, and shall be returned to HRPAs in 2023, with interest as provided for in the lease agreement.
- Accounts payable and accrued liabilities were higher than the previous year, due to new payments related to chapter activities, along with an increase in accruals.
- Deferred revenue pertains to amounts collected for the annual conference, membership dues, government funded programs, and other programs and services being held after year-end. Overall, the total for these amounts were higher than the previous year due in most part to higher membership revenue associated with the increase in the number of members, along with higher annual conference revenues.
- Deferred rent pertains to two different amounts associated with the lease for HRPAs's office and learning centre premises – one amount relates to the tenant improvement allowance, and another amount pertains to the rent-free period from the beginning of the lease term. These two amounts are being amortized evenly over the term of the lease, according to accounting standards, and hence the balance in 2015 is lower than in 2014.
- Net assets have been restricted for capital budget purposes, including amounts pertaining to certain hardware and software upgrades and general office capital expenditures. The Contingency Fund is a reserve for general operating contingencies and is not available for use by the Association without prior approval of the Board of Directors.
- In-line with general guidelines for not-for-profit associations, HRPAs's target for reserves is set at 50 per cent of annual operating costs. Based on the operating budget for fiscal year 2015-2016, the association's reserve is at approximately 49.7 percent of annual operating costs.

FINANCIAL OVERVIEW – FISCAL YEAR 2015 (continued)

STATEMENT OF OPERATIONS

Membership and Member Services

Higher membership revenue in fiscal 2015 was due mainly to an overall increase in membership numbers, including a very high membership retention rate as well as an increase in new members. Expenses under this area were lower due to lower member recruitment marketing and lower expenses relating to the resource centre.

Annual Conference

The overall surplus from HRPAs Annual Conference and Trade Show decreased from \$1,300,956 in fiscal 2014 to \$967,923 in fiscal 2015 – a decrease of \$333,033. Revenue was lower by \$160,044 - a result of decreased registration and sponsorship revenue. Expenses increased over the previous year by \$172,989 due mainly to unfavourable exchange rates associated with speaker fees paid in US dollars, along with higher food costs, committee and sponsorship costs, and registration services costs.

Administration

Expenses under Administration were higher than the previous year, due to increased salaries and benefits expenses, along with slightly higher computer technology and related expenses.

Chapter Activities and Relations

Revenue under this area decreased in 2015, due in most part to the introduction of free events for members at more chapter events. Expenses decreased in 2015 due to lower costs associated with various chapter-related activities, along with some cost efficiencies achieved by centralizing certain activities. This was offset slightly by an increase in part-time and allocated staff costs in support of chapter activities.

Regulatory Affairs

Revenue from regulatory-related activities increased by \$434,815 in 2015. This increase was mainly due to a higher number of CKE exam registrations but was also affected by increases in challenge exam writers, registrations for the on-line academic program, and preapproved programs and providers revenue. Expenses increased in this area by \$298,570 due mainly to higher costs associated with the CKE exams, as well as increases in certificate expenses due to more members obtaining designations and changes in the branding.

Professional Development and Support Programs

Total revenue from HRPAs events and government-funded programs increased by \$20,799 over the previous year. This increase was due to higher revenue from certificate programs, one-day conferences and workshops. Expenses decreased by \$107,245 due mainly to lower costs associated with various government-funded programs.

Publications, Communications and Marketing

Revenue under this area in 2015 remained similar to that of 2014. The increase in expenses was due to higher marketing expenses associated with the new designations. This additional marketing resulted in increases in membership, along with a higher number of exam writers.

Amortization

Amortization expense relates to the annual depreciation costs associated with capital assets. This cost was higher in 2015 due in most part to capital asset expenditures made during the year, and consequently the amount of amortization recognized during the year.

FINANCIAL OVERVIEW – FISCAL YEAR 2015 (continued)

Office Space and Utilities

Expenses related to office space and utilities were higher in 2015, due to increased operating costs charged by the landlord, along with higher property tax expenses associated with an increase in market value assessment of the property.

Board and Board Committees

Expenses under this area increased slightly in 2015, due in most part to higher legal and trademark costs related to the new designations.

Public Affairs and Research

Expenses are lower under this area due mainly to consulting costs associated with the launch of a major research project that took place in 2014, but not in 2015, along with reduced headcount associated with the research function.

National Levies and Support

HRPA withdrew from CCHRA in 2014 and therefore expenses related to this area have been discontinued.

Investment Income

Investment income decreased compared to the previous year, due to less favourable market conditions compared to 2014.



2015 BOARD OF DIRECTORS + SENIOR MANAGEMENT

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