PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Financial Statements

Year Ended December 31, 2012

(Unaudited)

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Index to Financial Statements
Year Ended December 31, 2012
(Unaudited)

REVIEW ENGAGEMENT REPORT

To the Members of Project Management Institute, Nova Scotia Chapter

We have reviewed the statement of financial position of Project Management Institute, Nova Scotia Chapter as at December 31, 2012 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Institute.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

We draw attention to Note 1 to the financial statements which describes that Project Management Institute, Nova Scotia Chapter adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2011 and January 1, 2011 and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Lyle Tilley Davidson

Halifax, Nova Scotia
November 21, 2014

CHARTERED ACCOUNTANTS

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Financial Position

December 31, 2012

(Unaudited)

	December 31 2012	December 31 2011	January 1 2011
ASSETS			
CURRENT			
Cash	**$ 49,084**	$ 38,984	$ 30,861
Term deposits *(Note 4)*	**61,330**	60,752	60,270
Harmonized sales tax recoverable	**651**	1,698	-
Prepaid expenses	**750**	750	750
	111,815	102,184	91,881
CAPITAL ASSETS *(Note 5)*	**792**	1,117	1,576
	$ 112,607	$ 103,301	$ 93,457
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	**$ 7,984**	$ 10,931	$ 2,580
Harmonized sales tax payable	**-**	-	847
	7,984	10,931	3,427
NET ASSETS			
Net assets invested in capital assets	**792**	1,117	1,117
Unrestricted net assets	**103,831**	91,253	91,253
	104,623	92,370	92,370
	$ 112,607	$ 103,301	$ 95,797

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
Statement of Revenues and Expenditures
Year Ended December 31, 2012
(Unaudited)

		2012		2011
REVENUE				
Programs and professional development	**$**	**43,746**	$	34,053
Membership		**13,684**		12,863
Investments		**578**		482
Sponsorship		**5,500**		6,000
		63,508		53,398
EXPENDITURES				
Amortization		**324**		459
Bad debts		**-**		600
Business management		**18,979**		17,259
Interest and bank charges		**685**		680
Office		**2,702**		2,258
Professional fees		**1,500**		1,500
Programs		**24,250**		26,893
Telephone		**2,815**		1,408
		51,255		51,057
EXCESS OF REVENUE OVER EXPENDITURES	**$**	**12,253**	$	2,341

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
Statement of Changes in Net Assets
Year Ended December 31, 2012
(Unaudited)

	Unrestricted Net Assets	Invested in Capital Assets	2012	2011
NET ASSETS - BEGINNING OF YEAR	$ 91,253	$ 1,117	**$ 92,370**	$ 90,029
Excess of revenue over expenses for the year	12,253	-	**12,253**	2,341
Amortization of capital assets	325	(325)	**-**	-
NET ASSETS - END OF YEAR	$ 103,831	$ 792	**$ 104,623**	$ 92,370

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Cash Flows

Year Ended December 31, 2012

(Unaudited)

		2012		2011
OPERATING ACTIVITIES				
Excess of revenue over expenditures	**$**	**12,253**	$	2,341
Item not affecting cash:				
Amortization		**324**		459
		12,577		2,800
Changes in non-cash working capital:				
Accounts payable and accrued liabilities		**(2,946)**		8,350
Harmonized sales tax payable (recoverable)		**1,047**		(2,545)
		(1,899)		5,805
INCREASE IN CASH FLOW		**10,678**		8,605
Cash - beginning of year		**99,736**		91,131
CASH - END OF YEAR	**$**	**110,414**	$	99,736
CASH CONSISTS OF:				
Cash	**$**	**49,084**	$	38,984
Term deposits		**61,330**		60,752
	$	**110,414**	$	99,736

NATURE OF OPERATIONS

Project Management Institute, Nova Scotia Chapter is a not-for-profit organization incorporated under the Nova Scotia Societies Act. The institute's objective is to promote project management professionalism within local businesses, universities and professional organizations in the chapter area. This is achieved through chapter activities, meetings and other educational programs.

1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Institute adopted Canadian accounting standards for not-for-profit organizations (ASNFPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPO had no impact on net assets as at January 1, 2011 or revenues and expenditures or cash flows for the year ended December 31, 2011 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

The institute issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by CICA Handbook - Accounting XFI. The adoption of ASNFPO had no impact on the previously reported assets, liabilities and net assets of the istitute, and accordingly; no adjustments have been recorded in the comparative statement of financial position, operations, net assets and the cash flow statement. Certain of the institute's disclosures included in these financial statements reflect the new disclosure requirements of ASNFPO.

The institute has elected to use the following elective exemptions permissible under Section 1500, First Time Adoption.

To apply Section 3856, Financial Instruments, in its opening statement of financial position presented in the financial statements for the year of adoption to the new accounting standards. Under this election, any difference between the recognition and measurement at that date and the prior year's closing statement of financial position is to be recorded as an adjustment to net assets at the date of transition. No such adjustments were required in these financial statements. Upon transition, the institute has not made the irrevocable designation to subsequently measure any financial asset or liability at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are term deposits and are valued at cost plus accrued interest, which approximates fair value.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The most significant estimates in these financial statements is the useful lives of capital assets.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	30%
Furniture and fixtures	20%

Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

Impairment of long lived assets

The Institute tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Project Management Institute, Nova Scotia Chapter follows the deferral method of accounting for contributions.

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

Membership revenue is recognized when dues are received.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year $0 in goods were donated (2011 - $0).

3. FINANCIAL INSTRUMENTS

The Institute is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Institute's risk exposure and concentration as of December 31, 2012.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Institute is exposed to this risk mainly in respect of its receipt of funds from its members and accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Institute is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Institute manages exposure through its normal operating and financing activities. The Institute is exposed to interest rate risk primarily through its guaranteed investment certificate.

4. TERM DEPOSITS

Term deposits are comprised of a Guaranteed Investment Certificate bearing interest and receivable annually at 0.80%, maturing on September 22, 2013. The investment approximates its fair value.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	**2012 Net book value**	2011 Net book value
Computer equipment	$ 6,892	$ 6,188	**$ 704**	$ 1,006
Furniture and fixtures	300	212	**88**	111
	$ 7,192	$ 6,400	**$ 792**	$ 1,117