PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Financial Statements

Year Ended December 31, 2013

LYLE TILLEY DAVIDSON
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Project Management Institute, Nova Scotia Chapter

We have audited the accompanying financial statements of Project Management Institute, Nova Scotia Chapter, which comprise the statement of financial position as at December 31, 2013 and the statements of revenues and expenses, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Project Management Institute, Nova Scotia Chapter as at December 31, 2013 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Lyle Tilley Davidson

Halifax, Nova Scotia
February 22, 2016

CHARTERED ACCOUNTANTS

101 Ilsley Avenue, Unit 7
Dartmouth, Nova Scotia B3B 1S8
Tel: 902.468.2688 Fax: 902.468.5966 www.ltdca.com - email: (teammember)@ltdca.com

1718 Argyle St., Suite 720
Halifax, Nova Scotia B3J 3N6
Tel: 902.423.7225 Fax: 902.422.3649
A MEMBER OF NEXIA INTERNATIONAL

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Financial Position

December 31, 2013

	2013	2012
ASSETS		
CURRENT		
Cash	$ 44,374	$ 49,084
Term deposits *(Note 3)*	61,821	61,330
Harmonized sales tax receivable	-	651
Prepaid expenses	750	750
	106,945	111,815
CAPITAL ASSETS *(Note 4)*	564	792
	$ 107,509	$ 112,607
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	$ 8,651	$ 7,984
Harmonized sales tax payable	484	-
	9,135	7,984
NET ASSETS		
Net assets invested in capital assets	564	792
Unrestricted net assets	97,810	103,831
	98,374	104,623
	$ 107,509	$ 112,607

ON BEHALF OF THE BOARD

____________________________ *Director*

____________________________ *Director*

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Revenues and Expenses

For the Year Ended December 31, 2013

	2013	2012
REVENUE		
Programs and professional development	**$ 39,603**	$ 43,746
Membership fees	**15,083**	13,684
Investments	**491**	578
Sponsorship	**6,035**	5,500
	61,212	63,508
EXPENSES		
Amortization	**228**	324
Business management	**28,631**	18,979
Interest and bank charges	**977**	685
Office	**8,124**	2,702
Professional fees	**2,000**	1,500
Programs	**23,959**	24,250
Telephone	**3,542**	2,815
	67,461	51,255
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**$ (6,249)**	$ 12,253

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Changes in Net Assets

Year Ended December 31, 2013

	Unrestricted Net Assets	Invested in Capital Assets	**2013**	2012
NET ASSETS - BEGINNING OF YEAR	$ 103,831	$ 792	**$ 104,623**	$ 92,370
Excess (deficiency) of revenue over expenditures	(6,249)	-	**(6,249)**	12,253
Amortization of capital assets	228	(228)	**-**	-
NET ASSETS - END OF YEAR	$ 97,810	$ 564	**$ 98,374**	$ 104,623

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
Statement of Cash Flow
Year Ended December 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	**$ (6,249)**	$ 12,253
Item not affecting cash:		
Amortization	**228**	324
	(6,021)	12,577
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	**667**	(2,946)
Harmonized sales tax payable	**1,135**	1,047
	1,802	(1,899)
INCREASE (DECREASE) IN CASH FLOW	**(4,219)**	10,678
Cash - beginning of year	**110,414**	99,736
CASH - END OF YEAR	**$ 106,195**	$ 110,414
CASH CONSISTS OF:		
Cash	**$ 44,374**	$ 49,084
Term deposits	**61,821**	61,330
	$ 106,195	$ 110,414

NATURE OF OPERATIONS

Project Management Institute, Nova Scotia Chapter (the "institute") is a not-for-profit organization incorporated provincially under the Societies Act of Nova Scotia.

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. 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.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued, except for related party transactions, which are recorded at the exchange amount. 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.

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. Estimates included in these statements include 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 and methods:

Computer equipment	30%
Furniture and fixtures	20%

(continues)

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

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.

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 institute 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 (2012 - $0).

2. 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 institute's financial instruments consist of cash, term deposits, harmonized sales tax receivable, accounts payable and accrued liabilities. The following analysis provides information about the institute's risk exposure and concentration as of December 31, 2013.

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.

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.

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2. FINANCIAL INSTRUMENTS *(continued)*

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 term deposits.

3. TERM DEPOSITS

Term deposits are comprised of a Guaranteed Investment Certificate bearing interest and receivable annually at 0.80%, maturing on September 22, 2014. The investment approximates its fair value.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	**2013 Net book value**	2012 Net book value
Computer equipment	$ 6,892	$ 6,399	**$ 493**	$ 704
Furniture and fixtures	300	229	**71**	88
	$ 7,192	$ 6,628	**$ 564**	$ 792