PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Financial Statements

Year Ended December 31, 2014

(Unaudited)

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

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Year Ended December 31, 2014

(Unaudited)

LYLE TILLEY DAVIDSON
Chartered Accountants

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, 2014 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.

Lyle Tilley Davidson

Halifax, Nova Scotia
April 15, 2016

CHARTERED ACCOUNTANTS

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PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Financial Position

December 31, 2014

(Unaudited)

		2014		2013
ASSETS				
CURRENT				
Cash	**$**	**39,716**	$	44,374
Term deposits *(Note 3)*		**62,327**		61,821
Harmonized sales tax recoverable		**614**		-
Prepaid expenses		**750**		750
		103,407		106,945
CAPITAL ASSETS *(Note 4)*		**402**		564
	$	**103,809**	$	107,509
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	**$**	**12,224**	$	8,651
Harmonized sales tax payable		**-**		484
		12,224		9,135
NET ASSETS				
Unrestricted net assets		**91,183**		97,810
Net assets invested in capital assets		**402**		564
		91,585		98,374
	$	**103,809**	$	107,509

ON BEHALF OF THE BOARD

____________________________________ *Director*

____________________________________ *Director*

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Revenues and Expenditures

For the Year Ended December 31, 2014

(Unaudited)

		2014		2013
REVENUE				
Programs and professional development	**$**	**18,967**	$	39,603
Membership fees		**20,004**		15,083
Investments		**506**		491
Sponsorship		**3,500**		6,035
		42,977		61,212
EXPENSES				
Amortization		**162**		229
Business management		**23,818**		28,631
Interest and bank charges		**655**		976
Office and sundry		**6,082**		8,124
Professional fees		**3,000**		2,000
Programs		**15,869**		23,959
Telephone		**180**		3,542
		49,766		67,461
DEFICIENCY OF REVENUE OVER EXPENSES	**$**	**(6,789)**	$	(6,249)

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
Statement of Changes in Net Assets
Year Ended December 31, 2014
(Unaudited)

	Unrestricted Net Assets	Net Assets Invested in Capital Assets	**2014**	2013
NET ASSETS - BEGINNING OF YEAR	$ 97,810	$ 564	**$ 98,374**	$ 104,623
Deficiency of revenue over expenses	(6,789)	-	**(6,789)**	(6,249)
Amortization of capital assets	162	(162)	**-**	-
NET ASSETS - END OF YEAR	$ 91,183	$ 402	**$ 91,585**	$ 98,374

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
Statement of Cash Flows
Year Ended December 31, 2014
(Unaudited)

		2014		2013
OPERATING ACTIVITIES				
Deficiency of revenue over expenses	**$**	**(6,789)**	$	(6,249)
Item not affecting cash:				
Amortization		**162**		229
		(6,627)		(6,020)
Changes in non-cash working capital:				
Accounts payable and accrued liabilities		**3,573**		666
Harmonized sales tax payable (recoverable)		**(1,098)**		1,135
		2,475		1,801
DECREASE IN CASH FLOW		**(4,152)**		(4,219)
Cash - beginning of year		**106,195**		110,414
CASH - END OF YEAR	**$**	**102,043**	$	106,195
CASH CONSISTS OF:				
Cash	**$**	**39,716**	$	44,374
Term deposits		**62,327**		61,821
	$	**102,043**	$	106,195

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 approximate 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.

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%

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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.

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 and term deposits and accounts payable. The following analysis provides information about the Institute's risk exposure and concentration as of December 31, 2014.

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 customers and other related sources, 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.

(continues)

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 floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Institute is not exposed to significant other price risks arising from these financial instruments.

3. TERM DEPOSITS

Term deposits are comprised of a Guaranteed Investment Certificate bearing interest and receivable annually at 0.80%, maturing on September 22, 2015. The investment approximates its fair value.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	**2014 Net book value**	2013 Net book value
Computer equipment	$ 6,892	$ 6,547	**$ 345**	$ 493
Furniture and fixtures	300	243	**57**	71
	$ 7,192	$ 6,790	**$ 402**	$ 564