# PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

## Financial Statements

## Year Ended December 31, 2017

*(Unaudited)*

# Index to Financial Statements

**Year Ended December 31, 2017**

*(Unaudited)*

LYLE TILLEY DAVIDSON
Chartered Professional Accountants

# INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Project Management Institute, Nova Scotia Chapter

We have reviewed the accompanying financial statements of Project Management Institute, Nova Scotia Chapter which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flows 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.

*Practitioner's Responsibility for the Financial Statements*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Project Management Institute, Nova Scotia Chapter as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Lyle Tilley Davidson

Halifax, Nova Scotia
October 13, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

A member of Nexia International

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

# PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
## Statement of Financial Position
## December 31, 2017
*(Unaudited)*

| | | 2017 | | 2016 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **CURRENT** | | | | |
| Cash | **$** | **66,677** | $ | 59,263 |
| Term deposits *(Note 3)* | | **63,404** | | 63,089 |
| Harmonized sales tax recoverable | | **2,678** | | - |
| Prepaid expenses | | **750** | | 750 |
| | | **133,509** | | 123,102 |
| **CAPITAL ASSETS** *(Note 4)* | | **450** | | 643 |
| | **$** | **133,959** | $ | 123,745 |
| **LIABILITIES AND NET ASSETS** | | | | |
| **CURRENT** | | | | |
| Accounts payable and accrued liabilities | **$** | **11,253** | $ | 4,964 |
| Harmonized sales tax payable | | **-** | | 1,990 |
| Deferred revenue | | **4,757** | | 4,280 |
| | | **16,010** | | 11,234 |
| **NET ASSETS** | | | | |
| Unrestricted net assets | | **117,499** | | 111,868 |
| Net assets invested in capital assets | | **450** | | 643 |
| | | **117,949** | | 112,511 |
| | **$** | **133,959** | $ | 123,745 |

**ON BEHALF OF THE BOARD**

______________________________ *Director*

______________________________ *Director*

**PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER**

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2017**

*(Unaudited)*

| | **2017** | 2016 |
|---|---|---|
| **REVENUE** | | |
| Programs and professional development | **$ 34,605** | $ 44,880 |
| Membership fees | **21,517** | 23,971 |
| Investments | **315** | 87 |
| Sponsorship | **7,412** | 4,000 |
| | **63,849** | 72,938 |
| **EXPENDITURES** | | |
| Amortization | **193** | 201 |
| Business management | **8,481** | 3,902 |
| Interest and bank charges | **1,224** | 1,711 |
| Office and sundry | **1,741** | 2,276 |
| Professional fees | **4,457** | 5,723 |
| Programs | **42,315** | 43,901 |
| | **58,411** | 57,714 |
| **EXCESS OF REVENUE OVER EXPENDITURES** | **$ 5,438** | $ 15,224 |

## PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
## Statement of Changes in Net Assets
## Year Ended December 31, 2017
*(Unaudited)*

| | Unrestricted Net Assets | Net Assets Invested in Capital Assets | **2017** | 2016 |
|---|---|---|---|---|
| **NET ASSETS - BEGINNING OF YEAR** | $ 111,868 | $ 643 | **$ 112,511** | $ 97,287 |
| Excess of revenue over expenditures | 5,438 | - | **5,438** | 15,224 |
| Amortization of capital assets | 193 | (193) | **-** | - |
| **NET ASSETS - END OF YEAR** | $ 117,499 | $ 450 | **$ 117,949** | $ 112,511 |

## PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
### Statement of Cash Flows
### Year Ended December 31, 2017
*(Unaudited)*

| | 2017 | 2016 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Excess of revenue over expenditures | **$ 5,438** | $ 15,224 |
| Item not affecting cash: | | |
| Amortization | **193** | 201 |
| | **5,631** | 15,425 |
| Changes in non-cash working capital: | | |
| Accounts receivable | **-** | 2,000 |
| Accounts payable and accrued liabilities | **6,289** | (6,407) |
| Deferred revenue | **477** | 3,222 |
| Harmonized sales tax payable (recoverable) | **(4,668)** | 3,350 |
| | **2,098** | 2,165 |
| Cash flow from operating activities | **7,729** | 17,590 |
| **INVESTING ACTIVITY** | | |
| Purchase of capital assets | **-** | (557) |
| **INCREASE IN CASH FLOW** | **7,729** | 17,033 |
| Cash - beginning of year | **122,352** | 105,319 |
| **CASH - END OF YEAR** | **$ 130,081** | $ 122,352 |
| **CASH CONSISTS OF:** | | |
| Cash | **$ 66,677** | $ 59,263 |
| Term deposits | **63,404** | 63,089 |
| | **$ 130,081** | $ 122,352 |

## 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 (ASNPO).

Cash

Cash includes cash on hand and deposits within Canadian financial institutions, net of outstanding transactions.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties 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.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis

| | |
|---|---|
| Computer equipment | 30% |

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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## 1. 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 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.

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. Significant estimates include accrued liabilities. Actual results could differ from these estimates.

## 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, and accounts payable and accrued liabilities. The following analysis provides information about the Institute's risk exposure and concentration as of December 31, 2017.

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 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.

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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 investment in term deposits.

## 3. TERM DEPOSITS

Term deposits are comprised of a guaranteed investment certificate bearing interest annually at 0.50%, maturing on September 22, 2018. The investment's carrying value approximates its fair value.

## 4. CAPITAL ASSETS

| | Cost | Accumulated amortization | **2017 Net book value** | 2016 Net book value |
|---|---|---|---|---|
| Computer equipment | $ 7,449 | $ 6,999 | **$ 450** | $ 643 |