PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Financial Statements

Year Ended December 31, 2016

(Unaudited)

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Year Ended December 31, 2016

(Unaudited)

LYLE TILLEY DAVIDSON
Chartered Professional 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, 2016 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
September 12, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

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PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Financial Position

December 31, 2016

(Unaudited)

	2016	2015
ASSETS		
CURRENT		
Cash	**$ 59,263**	$ 42,507
Term deposits *(Note 3)*	**63,089**	62,812
Accounts receivable	**-**	2,000
Harmonized sales tax recoverable	**-**	1,360
Prepaid expenses	**750**	750
	123,102	109,429
CAPITAL ASSETS *(Note 4)*	**643**	287
	$ 123,745	$ 109,716
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	**$ 4,963**	$ 11,370
Harmonized sales tax payable	**1,990**	-
Deferred revenue	**4,280**	1,058
	11,233	12,428
NET ASSETS		
Unrestricted net assets	**111,869**	97,001
Net assets invested in capital assets	**643**	287
	112,512	97,288
	$ 123,745	$ 109,716

ON BEHALF OF THE BOARD

______________________________ *Director*

______________________________ *Director*

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER
Statement of Revenues and Expenditures
Year Ended December 31, 2016
(Unaudited)

		2016		2015
REVENUES				
Programs and professional development	**$**	**44,880**	$	30,570
Membership fees		**23,971**		19,193
Investments		**87**		501
Sponsorship		**4,000**		3,485
		72,938		53,749
EXPENSES				
Amortization		**201**		115
Business management		**3,902**		8,549
Interest and bank charges		**1,711**		781
Office and sundry		**2,276**		2,379
Professional fees		**5,723**		4,749
Programs		**43,901**		31,475
		57,714		48,048
EXCESS OF REVENUES OVER EXPENSES	**$**	**15,224**	$	5,701

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Changes in Net Assets

Year Ended December 31, 2016

(Unaudited)

	Unrestricted Net Assets	Net Assets Invested in Capital Assets	**2016**	2015
NET ASSETS - BEGINNING OF YEAR	$ 97,001	$ 287	**$ 97,288**	$ 91,587
Excess of revenues over expenses	15,224	-	**15,224**	5,701
Amortization of capital assets	201	(201)	**-**	-
Investment in capital assets	(557)	557	**-**	-
NET ASSETS - END OF YEAR	$ 111,869	$ 643	**$ 112,512**	$ 97,288

PROJECT MANAGEMENT INSTITUTE, NOVA SCOTIA CHAPTER

Statement of Cash Flows

Year Ended December 31, 2016

(Unaudited)

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 15,224**	$ 5,701
Item not affecting cash:		
Amortization	**201**	115
	15,425	5,816
Changes in non-cash working capital:		
Accounts receivable	**2,000**	(2,000)
Accounts payable and accrued liabilities	**(6,407)**	(852)
Deferred revenue	**3,222**	1,058
Harmonized sales tax payable (recoverable)	**3,350**	(746)
	2,165	(2,540)
Cash flow from operating activities	**17,590**	3,276
INVESTING ACTIVITY		
Purchase of capital assets	**(557)**	-
INCREASE IN CASH FLOW	**17,033**	3,276
Cash - beginning of year	**105,319**	102,043
CASH - END OF YEAR	**$ 122,352**	$ 105,319
CASH CONSISTS OF:		
Cash	**$ 59,263**	$ 42,507
Term deposits	**63,089**	62,812
	$ 122,352	$ 105,319

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 and cash equivalents

Cash includes cash and cash equivalents. Cash consists of deposits held in a Canadian financial institution net of outstanding transactions. 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. Significant estimates include accrued liabilities.

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%

(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.

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 payable and accounts payable and accrued liabilities. The following analysis provides information about the Institute's risk exposure and concentration as of December 31, 2016.

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.

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, 2017. The investment's carrying value approximates its fair value.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	**2016 Net book value**	2015 Net book value
Computer equipment	$ 7,449	$ 6,806	**$ 643**	$ 242
Furniture and fixtures	-	-	**-**	45
	$ 7,449	$ 6,806	**$ 643**	$ 287