

**THE LAKESHORE CHAPTER OF THE  
PROJECT MANAGEMENT INSTITUTE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

**DRAFT**

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE**

**DECEMBER 31, 2003**

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## **AUDITORS' REPORT**

To the Members of  
The Lakeshore Chapter of the Project Management Institute

We have audited the statement of financial position of The Lakeshore Chapter of the Project Management Institute as at December 31, 2003 and the statements of changes in net assets, operations and cash flow for the year then ended. These financial statements are the responsibility of the Chapter's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Chapter derives revenue from various meetings and events, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Chapter and we were not able to determine whether any adjustments might be necessary to assets, net assets, operations and cash flows.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Chapter as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada  
February 18, 2004

Chartered Accountants

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2003**

	<u>2003</u>	<u>2002</u>
<b><u>ASSETS</u></b>		
Bank	\$ 29,415	\$ 21,672
Amounts receivable	6,113	3,486
Sundry assets	1,042	-
Property, plant and equipment (Note 4)	<u>2,882</u>	<u>3,602</u>
	<b><u>\$ 39,452</u></b>	<b><u>\$ 28,760</u></b>
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued liabilities	<u>\$ 4,281</u>	<u>\$ 3,677</u>
	<u>4,281</u>	<u>3,677</u>
<b><u>NET ASSETS</u></b>		
Net assets invested in property, plant and equipment	2,882	3,602
Unrestricted net assets	<u>32,289</u>	<u>21,481</u>
	<u>35,171</u>	<u>25,083</u>
	<b><u>\$ 39,452</u></b>	<b><u>\$ 28,760</u></b>

See Accompanying Notes

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Invested In Property, plant and equipment</u>	<u>Unrestricted</u>	<u>2003 Total</u>	<u>2002 Total</u>
<b>NET ASSETS</b>				
<b>BALANCE</b> - Beginning of year	\$ 3,602	\$ 21,481	\$ 25,083	20,473
Excess of revenue over expenses	<u>(720)</u>	<u>10,808</u>	<u>10,088</u>	<u>4,610</u>
<b>BALANCE</b> - End of year	<u>\$ 2,882</u>	<u>\$ 32,289</u>	<u>\$ 35,171</u>	<u>\$ 25,083</u>

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**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>REVENUE</b>		
PMP Preparatory Course	\$ 46,265	\$ 21,455
Membership dues	19,587	21,066
Meetings and events	12,388	14,330
Self study income	<u>3,344</u>	<u>4,075</u>
	<u>81,584</u>	<u>60,926</u>
<b>EXPENSES</b>		
PMP Preparatory Courses	38,587	20,492
Meetings and events	13,023	15,854
Legal and audit	7,070	2,287
General and office	3,637	2,090
Self study expenses	3,019	3,887
Advertising and promotion	1,859	4,573
Telephone and internet	1,580	1,180
PMI leadership conferences	1,222	3,653
Insurance	269	400
Board and AGM meetings	264	742
Bank charges	246	184
Amortization	<u>720</u>	<u>974</u>
	<u>71,496</u>	<u>56,316</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 10,088</u>	<u>\$ 4,610</u>

See Accompanying Notes

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>2003</u>	<u>2002</u>
During the year, cash flow was provided by (used in) the following activities:		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 10,088	\$ 4,610
Add: Items not involving cash Amortization	<u>720</u>	<u>974</u>
	<b>10,808</b>	5,584
Increase in amounts receivable	(2,627)	(1,104)
Increase in accounts payable and accrued liabilities	604	1,611
Increase in sundry assets	<u>(1,042)</u>	<u>-</u>
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>7,743</b></u>	<u>6,091</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<u>-</u>	<u>(3,393)</u>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>	<u>-</u>	<u>(3,393)</u>
<b>NET INCREASE IN CASH DURING THE YEAR</b>	<b>7,743</b>	2,698
<b>CASH BALANCE</b> - beginning of year	<u>21,672</u>	<u>18,974</u>
<b>CASH BALANCE</b> - end of year	<u><b>\$ 29,415</b></u>	<u><b>\$ 21,672</b></u>

See Accompanying Notes

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

**1. PURPOSE OF THE ORGANIZATION**

The Lakeshore Chapter of the Project Management Institute provides professionals in the field of project management opportunities for interaction with their peers through networking, meetings and training opportunities supporting certification efforts. The Chapter also promotes the mission and objective of the Project Management Institute by developing a growing and committed membership through providing valuable services and promoting these services in the community.

**2. INCORPORATION**

The company was incorporated by letters patent on May 15, 2001, as a corporation without share capital under the laws of the Province of Ontario.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year. Actual amounts could differ from these estimates.

**b) Property, plant and equipment**

Property, plant and equipment are recorded at cost less accumulated amortization. Rates and bases of amortization applied to write off the cost of these assets over their estimated useful lives are as follows:

Furniture, fixtures and and equipment    -    5    years straight-line

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Membership fees**

The Lakeshore Chapter of the Project Management Institute is a chartered component organization of the Project Management Institute Inc., whose responsibilities include collecting dues on behalf of components and disbursing those dues to components.

In accordance with the regulations of the organization, annual membership fees cover a period of twelve months commencing with the month in which the member has joined. It is the organization's policy to recognize membership revenue as it is received from The Project Management Institute Inc.

**d) Foreign Currency Translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the balance sheet date. Revenues and expenses are translated at average exchange rates prevailing during the period.

**e) Donated Services**

The work of the Chapter is dependent on the voluntary services of members of the Chapter. Since these services are not normally purchased by the Chapter and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

**4. PROPERTY, PLANT AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>	
			<u>2003</u>	<u>2002</u>
Furniture, fixtures and equipment	<u>\$ 4,872</u>	<u>\$ 1,990</u>	<u>\$ 2,882</u>	<u>\$ 3,602</u>

**5. FINANCIAL INSTRUMENTS**

The Chapter's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. It is managements opinion that the Chapter is not exposed to significant interest, currency or credit risks arising from these financial instruments.