

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

FINANCIAL STATEMENTS

DECEMBER 31, 2002

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DECEMBER 31, 2002

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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, 2002 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, 2002 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
July 31, 2003

Chartered Accountants

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2002**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Bank	\$ 21,672	\$ 18,974
Amounts receivable	3,486	2,382
Capital assets (Note 4)	<u>3,602</u>	<u>1,183</u>
	<u>\$ 28,760</u>	<u>\$ 22,539</u>
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	<u>\$ 3,677</u>	<u>\$ 2,066</u>
	<u>3,677</u>	<u>2,066</u>
<u>NET ASSETS</u>		
Net assets invested in capital assets	3,602	1,183
Unrestricted net assets	<u>21,481</u>	<u>19,290</u>
	<u>25,083</u>	<u>20,473</u>
	<u>\$ 28,760</u>	<u>\$ 22,539</u>

See Accompanying Notes

2.

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Invested In Capital Assets</u>	<u>Unrestricted</u>	<u>2002 Total</u>	<u>2001 Total</u>
NET ASSETS				
BALANCE - Beginning of year	\$ 1,183	\$ 19,290	\$ 20,473	-
Transfer from predecessor organization	-	-	-	14,174
Investment in capital assets	3,393	(3,393)	-	-
Excess of revenue over expenses	<u>(974)</u>	<u>5,584</u>	<u>4,610</u>	<u>6,299</u>
BALANCE - End of year	<u>\$ 3,602</u>	<u>\$ 21,481</u>	<u>\$ 25,083</u>	<u>\$ 20,473</u>

See Accompanying Notes

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	2002	2001
REVENUE		
PMP Preparatory Course	\$ 21,455	\$ -
Membership dues	21,066	10,330
Meetings and events	14,330	7,508
Self study income	4,075	-
	60,926	17,838
 EXPENSES		
PMP Preparatory Courses	20,492	-
Meetings and events	15,854	7,763
Advertising and promotion	4,573	-
Self study expenses	3,887	-
PMI leadership conferences	3,653	108
Legal and audit	2,287	1,766
General and office	2,090	456
Telephone and internet	1,180	-
Board and AGM meetings	742	-
Insurance	400	150
Bank charges	184	-
Incorporation costs	-	1,000
Amortization	974	296
	56,316	11,539
 EXCESS OF REVENUE OVER EXPENSES	\$ 4,610	\$ 6,299

See Accompanying Notes

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>2002</u>	<u>2001</u>
During the year, cash flow was provided by (used in) the following activities:		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 4,610	\$ 6,299
Add: Items not involving cash Amortization	<u>974</u>	<u>296</u>
	5,584	6,595
Increase in amounts receivable	(1,104)	(2,382)
Increase in accounts payable and accrued expenses	<u>1,611</u>	<u>2,066</u>
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	<u>6,091</u>	<u>6,279</u>
FINANCING ACTIVITIES		
Transfer of net assets from predecessor organization	<u>-</u>	<u>14,174</u>
CASH FLOW PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>14,174</u>
INVESTING ACTIVITIES		
Capital assets from predecessor organization	-	(1,479)
Purchase of capital assets	<u>(3,393)</u>	<u>-</u>
CASH FLOW USED IN INVESTING ACTIVITIES	<u>(3,393)</u>	<u>(1,479)</u>
NET INCREASE IN CASH DURING THE YEAR	2,698	18,974
CASH BALANCE - beginning of year	<u>18,974</u>	<u>-</u>
CASH BALANCE - end of year	<u>\$ 21,672</u>	<u>\$ 18,974</u>

See Accompanying Notes

5.

**THE LAKESHORE CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

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) Capital Assets

Capital Assets are recorded at cost less accumulated amortization. Rates and bases of amortization applied to write off the cost of capital 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. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>	
			<u>2002</u>	<u>2001</u>
Furniture, fixtures and equipment	<u>\$ 4,872</u>	<u>\$ 1,270</u>	<u>\$ 3,602</u>	<u>\$ 1,183</u>

5. FINANCIAL INSTRUMENTS

The Chapter's financial instruments consist of cash, amounts receivable, 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.