# Project Management Institute
# Northern Alberta Chapter Ltd.
## Financial Statements
For the year ended October 31, 2021

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Contents

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# Independent Auditor's Report

To the Members of
Project Management Institute Northern Alberta Chapter Ltd.

*Opinion*
We have audited the financial statements of Project Management Institute Northern Alberta Chapter Ltd. (the "Chapter"), which comprise the statement of financial position as at October 31, 2021, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Chapter as at October 31, 2021, 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.

*Basis for Opinion*
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Chapter in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Chapter's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Chapter or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Chapter's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chapter's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chapter's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Chapter to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Edmonton, Alberta
February 28, 2022

# Project Management Institute Northern Alberta Chapter Ltd.
## Statement of Financial Position

| October 31 | 2021 | 2020 |
|---|---|---|
| **Assets** | | |
| Current | | |
| Cash | $ 170,163 | $ 170,016 |
| Short-term investments (Note 2) | 41,051 | 41,010 |
| Accounts receivable | 9,975 | 1,497 |
| Prepaid expense | 7,000 | 7,000 |
| Deposit | 2,000 | 2,000 |
| GST receivable | 128 | - |
| | 230,317 | 221,523 |
| Capital assets (Note 3) | 232 | 291 |
| | $ 230,549 | $ 221,814 |
| **Liabilities and Net Assets** | | |
| Current | | |
| Accounts payable and accrued liabilities | $ 12,179 | $ 14,919 |
| Unearned revenue (Note 4) | 36,537 | 32,852 |
| GST payable | - | 1,010 |
| | 48,716 | 48,781 |
| Net assets | 181,833 | 173,033 |
| | $ 230,549 | $ 221,814 |

Approved on behalf of the board:

Martin Baclig MBA, PMP, Member

Dr. Helen Abu, MD, GCPain, M.Sc. PMP, Member

The accompanying notes are an integral part of these financial statements.

# Project Management Institute Northern Alberta Chapter Ltd.
## Statement of Changes in Net Assets

| For the year ended October 31 | 2021 | 2020 |
|---|---|---|
| Net assets, beginning of year | $ 173,033 | $ 160,488 |
| Excess of revenue over expenditures for the year | 8,800 | 12,545 |
| Net assets, end of year | $ 181,833 | $ 173,033 |

The accompanying notes are an integral part of these financial statements.

# Project Management Institute Northern Alberta Chapter Ltd.
## Statement of Operations

| For the year ended October 31 | 2021 | 2020 |
|---|---|---|
| **Revenue** | | |
| Membership dues | $ 59,162 | $ 75,911 |
| Event registration fees | 19,832 | 10,139 |
| Sponsorships | 8,425 | - |
| Government of Alberta grant revenue (Note 4) | 5,790 | - |
| Other income | - | 1,497 |
| | 93,209 | 87,547 |
| **Expenditures** | | |
| Advertising and promotion | 11,563 | 12,298 |
| Amortization | 59 | 76 |
| Events | 3,040 | 1,254 |
| Funding project expenses (Note 4) | 5,790 | - |
| Interest and bank charges | 556 | 1,063 |
| Meals and entertainment | 857 | 2,225 |
| Meetings and conference | 42,599 | 34,064 |
| Memberships | 130 | 250 |
| Office | 6,945 | 4,000 |
| Professional fees | 12,911 | 18,679 |
| Scholarships and awards | - | 1,500 |
| | 84,450 | 75,409 |
| Excess of revenue over expenditures before undernoted item | 8,759 | 12,138 |
| Interest income | 41 | 407 |
| Excess of revenue over expenditures for the year | $ 8,800 | $ 12,545 |

The accompanying notes are an integral part of these financial statements.

# Project Management Institute Northern Alberta Chapter Ltd.
## Statement of Cash Flows

| For the year ended October 31 | 2021 | 2020 |
| --- | --- | --- |
| Cash flows from operating activities | | |
| Cash receipts from members and other revenue sources | $ 88,286 | $ 96,281 |
| Cash paid to suppliers | (88,139) | (87,606) |
| | 147 | 8,675 |
| Cash flows from investing activities | | |
| Purchase of short-term investments | (41,051) | (41,010) |
| Proceeds from sale of short-term investments | 41,051 | 41,010 |
| | - | - |
| Increase in cash during the year | 147 | 8,675 |
| Cash, beginning of year | 170,016 | 161,341 |
| Cash, end of year | $ 170,163 | $ 170,016 |

The accompanying notes are an integral part of these financial statements.

## Nature of operations

Project Management Institute Northern Alberta Chapter Ltd. (the "Chapter") was incorporated on January 1, 2002 under the Business Corporations Act of Alberta. The Chapter's principal business activity is to provide a community that facilitates individuals interested in becoming project managers to obtain various designations. As well, the Chapter promotes networking and collaboration between various project managers who are part of this community through hosting monthly dinners and an annual conference.

The ability of the Chapter to maintain its service programs depends significantly upon the participation of its members in events and annual membership dues.

As a not-for-profit organization under the Income Tax Act, the Chapter is not subject to either federal or provincial income taxes.

## 1. Summary of significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

### Capital assets

Capital assets are recorded at cost. The Chapter provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

| Asset | Method | Rate |
|---|---|---|
| Equipment | Declining balance | 20% |
| Computer equipment | Declining balance | 55% |

### Revenue recognition

Revenue includes event registration fees and sponsorships, and is recognized in the period when the service is provided or the event is held. Membership dues are recognized over the period of the membership term. Amounts received for future membership are deferred until the benefits are provided.

The Chapter follows the deferral method of accounting for restricted contributions. Grant is recorded as deferred grant revenue and are recognized as revenue in the period in which the related expenses are incurred.

Investment income is recognized as revenue when earned.

1. Summary of significant accounting policies (continued)

**Financial instruments**

The Chapter initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed to by the related parties.

The Chapter subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in operations.

**Contributed services**

Volunteers contribute a significant amount of their time each year. While these services benefit the Chapter considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

**Use of estimates**

The preparation of financial statements in accordance 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 amount of revenue and expenditures during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**Foreign exchange**

Monetary assets and liabilities of the Chapter which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenditures are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

2. Short-term investments

The Chapter has two guaranteed investment certificates, bearing interest at 0.1% and mature on August 2022.

## 3. Capital assets

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Equipment | $ 3,169 | $ 2,939 | $ 3,169 | $ 2,882 |
| Computer equipment | 1,348 | 1,346 | 1,348 | 1,344 |
| | 4,517 | 4,285 | 4,517 | 4,226 |
| Net book value | | $ 232 | | $ 291 |

## 4. Unearned revenue

| | 2021 | 2020 |
|---|---|---|
| Deferred membership dues | $ 26,702 | $ 32,852 |
| Deferred sponsorships | 9,125 | - |
| Deferred grant revenue | 710 | - |
| | $ 36,537 | $ 32,852 |

Continuity of deferred grant revenue as below:

| | 2021 |
|---|---|
| Government of Alberta grants received | $ 6,500 |
| Recognized as revenue | (5,790) |
| Total deferred grant revenue | $ 710 |

The Government of Alberta grants are restricted under the terms and conditions of the funding agreements with the Government of Alberta. The Chapter is required to use the funds solely furtherance of its objects and in accordance with projects as described in the funding agreements. It is the intention of the Chapter to use the grant consistent with the requirements of the funding agreements.

## 5. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Membership dues from the parent organization are paid in U.S. dollars. The Chapter is exposed to currency risk to the extent of the amount owed by the parent organization.

5. Financial instruments (continued)

(b) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Chapter is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Chapter is exposed to concentration of credit risk as it maintains all bank accounts at one financial institution. Balances in these accounts may exceed federally insured amounts.

6. COVID-19 impact

The impact of COVID-19 continues to impact Canada and the global economy. The pandemic has disrupted economic activities. The Chapter held meetings and events virtually in a webinar presentation. During the year, the Chapter also received government grant (Note 4) in response to COVID-19.

In addition, if the impact of COVID-19 continues, there could be further impact on the Chapter and its major suppliers and other third party business associates that could impact the timing and amounts realized on the Chapter's assets and future results of operations. At this time, the full potential of the COVID-19 on the Chapter is not known.