



Financial Statements

Engage Nova Scotia Civic Engagement
Society

March 31, 2023

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Independent Practitioner's Review Engagement Report

To the Board of Directors of
[Engage Nova Scotia Civic Engagement Society](#)

We have reviewed the accompanying financial statements of Engage Nova Scotia Civic Engagement Society that comprise the statement of financial position as at March 31, 2023 and the statements of operations, 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

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 the financial statements do not present fairly, in all material respects, the financial position of Engage Nova Scotia Civic Engagement Society as at March 31, 2023, 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.

Halifax, Canada
July 6, 2023

A stylized, handwritten-style signature of "Grant Thornton LLP" in black ink.

Chartered Professional Accountants

Engage Nova Scotia Civic Engagement Society

Statement of Operations

Year ended March 31	2023	2022
Revenues		
Donations and other grants	\$ 46,545	\$ 29,702
Government grants	1,070,401	739,251
Miscellaneous (loss) income	(16)	431
Fees for service	-	800
	1,116,930	770,184
Expenditures		
Amortization	4,684	4,540
Consulting fees	48,236	14,752
Do a Thing Initiative	9,041	17,298
Insurance	5,523	4,269
Interest and bank charges	395	254
Meetings and conferences	17,012	16,441
Office	33,810	24,156
Professional fees	17,998	27,461
Quality of Life Initiative	267,528	35,230
Rent	46,763	41,388
Salaries and wages	637,391	640,185
Telephone	6,261	6,099
Travel	19,255	2,185
Web services	13,485	20,639
	1,127,382	854,897
Deficiency of revenues over expenditures	\$ (10,452)	\$ (84,713)

Engage Nova Scotia Civic Engagement Society
Statement of Changes in Net Assets

Year ended March 31	2023	2022
Surplus, beginning of year	\$ 105,014	\$ 189,727
Deficiency of revenues over expenditures	<u>(10,452)</u>	<u>(84,713)</u>
Surplus, end of year	<u>\$ 94,562</u>	<u>\$ 105,014</u>

Engage Nova Scotia Civic Engagement Society

Statement of Financial Position

March 31	2023	2022
Assets		
Current		
Cash and cash equivalents	\$ 79,512	\$ 250,243
Receivables	16,916	-
Prepays	7,297	2,297
Harmonized sales tax receivable	<u>28,601</u>	<u>11,704</u>
	132,326	264,244
Furniture and equipment (Note 3)	<u>9,764</u>	<u>7,373</u>
	<u>\$ 142,090</u>	<u>\$ 271,617</u>
Liabilities		
Current		
Payables and accruals	\$ 29,813	\$ 19,270
Unearned revenue	<u>17,715</u>	<u>147,333</u>
	47,528	166,603
Surplus	<u>94,562</u>	<u>105,014</u>
	<u>\$ 142,090</u>	<u>\$ 271,617</u>

On behalf of the Board



 _____ Director

Engage Nova Scotia Civic Engagement Society

Statement of Cash Flows

Year ended March 31	2023	2022
Increase (decrease) in cash and cash equivalents		
Operating		
Deficiency of revenues over expenditures	\$ (10,452)	\$ (84,713)
Item not affecting cash and cash equivalents		
Amortization	<u>4,684</u>	<u>4,540</u>
	(5,768)	(80,173)
Change in non-cash working capital items		
Receivables	(16,916)	87,540
Prepays	(5,000)	(284)
Harmonized sales tax receivable	(16,897)	(8,393)
Payables and accruals	10,542	(14,644)
Unearned revenue	<u>(129,618)</u>	<u>82,333</u>
	(163,657)	66,379
Investing		
Purchase of furniture and equipment	<u>(7,074)</u>	<u>(2,467)</u>
(Decrease) increase in cash and cash equivalents	(170,731)	63,912
Cash and cash equivalents		
Beginning of year	<u>250,243</u>	<u>186,331</u>
End of year	<u>\$ 79,512</u>	<u>\$ 250,243</u>

Engage Nova Scotia Civic Engagement Society

Notes to the Financial Statements

March 31, 2023

1. Nature of operations

Engage Nova Scotia Civic Engagement Society (the "Society") exists to promote and advance a province-wide culture of collaboration, innovation and self-reliance. The Society was federally incorporated as a non-profit organization under section 149.1 (1) of the Income Tax Act and is therefore not subject to income taxes.

2. Significant accounting policies

Basis of presentation

The Society has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit enterprises (ASNPO).

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and balances with banks or other financial institutions.

Furniture and equipment

Furniture and equipment are carried at cost less, where applicable, any accumulated amortization and impairment losses. The Society recognizes one half year's amortization during the year of acquisition.

The amortization rates used for each class of furniture and equipment are:

Office furniture and equipment	20%
Computer equipment	50%

Revenue recognition

The deferral method of accounting is used by the Society. Unrestricted operating grants and donations are recognized as revenue in the period received. Restricted grants are deferred and recognized in the statements of operations as per the terms of the agreement.

Revenue from event registrations is recognized in the period in which the event occurs.

Other revenue is recognized when received.

Contributed services

Donated services in the form of seconded employees and capital assets are recognized in the financial statements at their fair value, less any amortized costs.

In-kind secondment revenues are fully offset by corresponding expenses. In-kind equipment revenue will be offset by amortization expense over the useful life of the equipment.

Engage Nova Scotia Civic Engagement Society

Notes to the Financial Statements

March 31, 2023

2. Significant accounting policies (continued)

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Financial instruments

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Society accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- payables
- unearned revenue

A financial asset or liability is recognized when the Society becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

The Society subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

3. Furniture and equipment

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office furniture and equipment	\$ 6,942	\$ 4,666	\$ 2,276	\$ 2,349
Computer equipment	<u>33,286</u>	<u>25,798</u>	<u>7,488</u>	<u>5,024</u>
	<u>\$ 40,228</u>	<u>\$ 30,464</u>	<u>\$ 9,764</u>	<u>\$ 7,373</u>

Engage Nova Scotia Civic Engagement Society

Notes to the Financial Statements

March 31, 2023

4. Economic dependence

The Society relies extensively on government funding to support its operations. Government continues to restrict funding in many areas. The board of directors and staff work to maintain ongoing relationships with the Society's funding partners.

5. Financial instruments

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposures and concentrations at March 31, 2023.

(a) 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 Society's main credit risks relate to its receivables. Management believes the risk of non-collection is low.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting the obligations associated with its financial liabilities. The Society is exposed to this risk mainly in respect of its payables. The Society has current funding agreements with a commitment for funding through fiscal 2024.