



Financial Statements

Prescott Group Society

March 31, 2023

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Independent Practitioner's Review Engagement Report

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To the Members of
[Prescott Group Society](#)

We have reviewed the accompanying financial statements of the Prescott Group Society that comprise the statement of financial position as at March 31, 2023, and the statements of revenues over expenditures, 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 Prescott Group Society financial statements in accordance with , and for such internal control as management determines is necessary to enable the preparation of Prescott Group Society 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 Prescott Group Society financial statements do not present fairly, in all material respects, the financial position of the Prescott Group Society as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with .

Halifax, Canada
June 20, 2023



Chartered Professional Accountants

Prescott Group Society

Statement of Revenues Over Expenditures

Year ended March 31

2023

2022

Revenues

Government grants	\$ 3,043,146	\$ 2,900,351
Sales and contracts	264,507	191,895
Donations, fund-raising and memorials	85,635	225,963
Other	35,919	14,175
Postage sales	<u>46,104</u>	<u>45,240</u>
	<u>3,475,311</u>	<u>3,377,624</u>

Expenditures

Amortization	28,814	25,495
Cost of sales and contracts	107,829	95,945
Equipment and small tools	27,633	63,642
Insurance	28,719	28,676
Interest and bank charges	21,854	19,451
Maintenance and repairs	95,247	96,964
Miscellaneous	54,767	65,681
Office expense	22,597	23,468
Postage and courier	744	701
Postage	45,780	45,230
Professional fees and dues	22,305	15,647
Program expense	150,803	331,802
Rent	167,030	167,030
Stipends	51,037	144,553
Taxes	62,728	57,016
Telephone	10,282	9,231
Travel	12,305	738
Utilities	54,539	45,627
Wages and benefits	<u>2,504,541</u>	<u>1,962,900</u>
	<u>3,469,554</u>	<u>3,199,797</u>

Excess of revenues over expenditures (Page 3)

	\$ 5,757	\$ 177,827
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Prescott Group Society

Statement of Changes in Net Assets

Year ended March 31

	Unrestricted Fund	Investment in Capital Assets Fund	Operating Reserve Fund	2023 Total	2022 Total
Surplus, beginning of year	\$ 815,228	\$ 90,345	\$ 60,000	\$ 965,573	\$ 787,746
Excess of revenues over expenditures	34,571	(28,814)	-	5,757	177,827
Inter-fund transfers (Note 4)	-	-	-	-	-
Surplus, end of year	<u>\$ 849,799</u>	<u>\$ 61,531</u>	<u>\$ 60,000</u>	<u>\$ 971,330</u>	<u>\$ 965,573</u>

Operating Reserve Fund

It is anticipated that the funds contained within the Operating Reserve Fund at the end of the current fiscal year of March 31, 2023 will be used for specific planned expenditures in fiscal 2024.

If the fiscal 2024 budget is achieved, this will cause a planned excess of expenditures over revenues (deficit) of approximately the amount spent within the Operating Reserve Fund for the Society on an overall results basis.

Unrestricted Fund

During the prior year, an unrestricted bequest in the amount of \$131,888 was received by the Society and was included in Donations, fund-raising and memorials revenue on the statement of revenues over expenses for 2022.

It is the intention of the Society to use the total amount of the bequest on future premises costs, which may involve the funds being transferred from the unrestricted surplus to a capital campaign fund in a future fiscal year.

Prescott Group Society
Statement of Financial Position

March 31

2023

2022

Assets

Current

Cash and cash equivalents	\$ 1,007,817	\$ 1,076,482
Receivables and advances	81,007	28,992
Prepays	61,249	133,222
Harmonized sales tax receivable	<u>13,843</u>	<u>16,057</u>
	<u>1,163,916</u>	1,254,753

Capital assets (Note 3)

<u>61,531</u>	<u>90,345</u>
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<u>\$ 1,225,447</u>	<u>\$ 1,345,098</u>
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Liabilities

Current

Payables and accruals	\$ 154,571	\$ 246,521
Deferred revenue	<u>99,546</u>	<u>133,004</u>
	<u>254,117</u>	<u>379,525</u>

Net assets

Operating Reserve Fund	60,000	60,000
Investment in Capital Assets Fund	61,531	90,345
Unrestricted Fund	<u>849,799</u>	<u>815,228</u>
	<u>971,330</u>	<u>965,573</u>

<u>\$ 1,225,447</u>	<u>\$ 1,345,098</u>
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Commitments (Note 5)

Economic dependence (Note 6)

On behalf of the Board

_____ President _____ Treasurer

Prescott Group Society

Statement of Cash Flows

Year ended March 31

2023

2022

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenues over expenditures	\$ 5,757	\$ 177,827
Amortization	<u>28,814</u>	<u>25,495</u>
	34,571	203,322

Change in non-cash working capital items

Receivables and advances	(52,015)	(12,812)
Inventory	-	16,480
Prepays	71,973	(17,714)
Harmonized sales tax	2,214	175
Payables and accruals	(91,950)	19,877
Deferred revenue	<u>(33,458)</u>	<u>(317,236)</u>
	(68,665)	(107,908)

Investing

Purchase of capital assets	<u>-</u>	<u>(19,747)</u>
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(Decrease) increase in cash and cash equivalents **(68,665)** (127,655)

Cash and cash equivalents

Beginning of year	<u>1,076,482</u>	<u>1,204,137</u>
End of year	<u>\$ 1,007,817</u>	<u>\$ 1,076,482</u>

See accompanying notes to the financial statements.

Prescott Group Society

Notes to the Financial Statements

March 31, 2023

1. Nature of operations

Prescott Group Society (the "Society") operates as a not-for-profit organization in Halifax, Nova Scotia and its primary purpose is to provide services for people with intellectual disabilities. The Society is incorporated under the Canadian Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act and as such is exempt from income taxes.

2. Basis of accounting and significant accounting policies

The Society applies the Canadian accounting standards for not-for-profit organizations.

Fund accounting

The Society uses fund accounting and accordingly, resources are classified for accounting purposes into funds based on specific activities or objectives. The following funds are being used:

Unrestricted Fund

The Unrestricted Fund accounts for the Society's excess of revenue over expenditures from program delivery, development and Society services.

Investment in Capital Assets Fund

The Investment in Capital Assets Fund is the balance in capital assets less associated amortization.

Operating Reserve Fund

The Internally restricted Fund has been established by the Board of Directors to provide a reserve for the Society's operations.

Cash and cash equivalents

Cash and cash equivalents include bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of 12 months or less at the date of acquisition.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Revenue from sales and service transactions is recognized at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation, by the Society, of all involvement in those goods.

Deferred revenue represents revenues that are received in advance for which the related service has not been provided.

Prescott Group Society

Notes to the Financial Statements

March 31, 2023

2. Basis of accounting and significant accounting policies (continued)

Donated material and services

Donated materials and services are not recorded because the fair market value could not reasonably be estimated.

Capital assets

The Society's policy is to capitalize assets having a cost of \$1,500 or greater and a useful life in excess of one year.

Purchased capital assets are recorded at cost and subsequently at cost less accumulated amortization. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives.

Computer hardware and software	3 years straight-line
Equipment	5 years straight-line
Furniture	10 years straight-line
Leaseholds	Straight-line over lease term
Vehicle	5 years straight-line

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

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. Items subject to significant management estimates include useful lives of capital assets and any allowance for doubtful accounts.

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 and advances
- harmonized sales tax receivable
- payables and accruals
- deferred revenue

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

Prescott Group Society

Notes to the Financial Statements

March 31, 2023

2. Basis of accounting and significant accounting policies (continued)

The Society initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

The Society removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

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.

It is management's opinion that the Society is not exposed to significant liquidity, credit or market risk.

3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023 Net Book Value</u>	<u>2022 Net Book value</u>
Equipment	\$ 155,492	\$ 146,202	\$ 9,290	\$ 13,515
Vehicles	52,748	41,319	11,429	21,979
Furniture	29,438	28,793	645	806
Leaseholds	<u>134,251</u>	<u>94,084</u>	<u>40,167</u>	<u>54,045</u>
	<u>\$ 371,929</u>	<u>\$ 310,398</u>	<u>\$ 61,531</u>	<u>\$ 90,345</u>

4. Interfund transfer

During the year, no interfund transfers were authorized by the Board.

5. Commitments

The Society currently has a lease for office space at 3440 Prescott Street, Halifax, Nova Scotia and the lease term ends May 31, 2025. The total rent is \$12,332 per month plus HST.

6. Economic dependence

The Society's operations are dependent on provincial grant funding from the Department of Community Services for which the amount was \$2,775,067 in fiscal 2023 (2022 - \$2,533,472).