



Financial Statements

Easter Seals Alberta Society

October 31, 2022

Easter Seals Alberta Society

Contents

	Page
Independent Auditor's Report	1
Statement of Operations	3
Statement of Changes In Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Externally Restricted Contributions	18



Independent Auditor's Report

Grant Thornton LLP

Suite 1100
332 - 6 Avenue SW
Calgary, AB
T2P 0B2

T +1 403 260 2500
F +1 403 260 2571
www.GrantThornton.ca

To the Members of
[Easter Seals Alberta Society](#)

Opinion

We have audited the financial statements of Easter Seals Alberta Society (the "Society"), which comprise the statement of financial position as at October 31, 2022, and the statements of operations, changes in net assets 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 Society as at October 31, 2022, 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 ("ASNPO").

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 Society 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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (continued)

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 Society'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 Society'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 Society 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.

Calgary, Canada
January 19, 2023

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

Easter Seals Alberta Society

Statement of Operations

Year ended October 31	2022	2021
Revenue		
Fundraising campaigns and events	\$ 1,243,876	\$ 1,138,081
Residential home	927,648	912,241
Amortization of deferred capital contributions (Note 8)	553,317	380,979
Recreation camp	512,692	60,457
Equipment support services	302,110	297,644
Estates and bequests (Note 10)	77,132	26,392
Investment income	43,670	15,322
Government subsidies pertaining to COVID-19 (Note 18)	32,908	609,440
Other revenue and contributions	<u>3,057</u>	<u>606</u>
	<u>3,696,410</u>	<u>3,441,162</u>
Expenses		
Recreation camp	1,103,647	372,058
Residential home	789,064	806,950
Amortization	386,772	404,626
Equipment support services	366,753	419,477
Fundraising campaigns and events	294,752	222,146
General administration	252,782	351,970
Contributions to charitable organizations	73,517	83,381
Virtual program	35,468	17,848
Outreach program	28,058	47,879
Public education	<u>23,552</u>	<u>15,891</u>
	<u>3,354,365</u>	<u>2,742,226</u>
Excess of revenue over expenses from operations	<u>342,045</u>	<u>698,936</u>
Other income (expense)		
Loss on disposition of property and equipment	(187,358)	-
Business interruption claim	-	242,632
Unrealized (loss) gain on investments	<u>(147,246)</u>	<u>82,292</u>
	<u>(334,604)</u>	<u>324,924</u>
Excess of revenue over expenses	<u>\$ 7,441</u>	<u>\$ 1,023,860</u>

Easter Seals Alberta Society

Statement of Changes In Net Assets

	Stabilization reserve	Investment in property and equipment	Estates and bequests contributions	Endowment	Unrestricted	2022	2021
Net assets, beginning of year	\$ 590,000	\$ 200,034	\$ 87,876	\$ 105,000	\$ 766,102	\$ 1,749,012	\$ 725,152
Excess of revenue over expenses	-	(20,813)	-	-	28,254	7,441	1,023,860
Transfers (Note 10)	-	-	77,132	-	(77,132)	-	-
Property and equipment purchased with unrestricted funds	-	(215)	-	-	215	-	-
Net assets, ending of year	<u>\$ 590,000</u>	<u>\$ 179,006</u>	<u>\$ 165,008</u>	<u>\$ 105,000</u>	<u>\$ 717,439</u>	<u>\$ 1,756,453</u>	<u>\$ 1,749,012</u>

See accompanying notes to the financial statements.

Easter Seals Alberta Society

Statement of Financial Position

As at October 31

2022

2021

Assets

Current

Cash (Note 3)	\$ 1,496,046	\$ 1,904,348
Restricted cash (Note 3)	187,444	136,359
Short-term investment (Note 4)	1,082,114	1,128,393
Accounts receivable	162,471	37,708
Prepaid expenses	<u>121,771</u>	<u>108,852</u>
	3,049,846	3,315,660
Property and equipment (Note 5)	6,235,588	6,584,921
Long-term investments (Note 6)	<u>361</u>	<u>32,164</u>
	<u>\$ 9,285,795</u>	<u>\$ 9,932,745</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 7)	\$ 345,035	\$ 413,043
Deferred provincial contributions (Note 7)	25,175	106,606
Externally restricted contributions (Schedule 1)	<u>1,102,550</u>	<u>1,279,196</u>
	1,472,760	1,798,845
Deferred capital contributions (Note 8)	<u>6,056,582</u>	<u>6,384,888</u>
	<u>7,529,342</u>	<u>8,183,733</u>

Net assets

Stabilization reserve (Note 9)	590,000	590,000
Investment in property and equipment	179,006	200,034
Estates and bequests contributions internally restricted (Note 10)	165,008	87,876
Endowment (Note 11)	105,000	105,000
Unrestricted	<u>717,439</u>	<u>766,102</u>
	<u>1,756,453</u>	<u>1,749,012</u>
	<u>\$ 9,285,795</u>	<u>\$ 9,932,745</u>

Commitments (Note 16)

Government subsidies pertaining to COVID-19 (Note 18)

On behalf of the board

DocuSigned by:

Adam Darbellay

92D6D815B0744C6...

Director

DocuSigned by:

Dan McPhee

D7D59FC1DE9C4BD...

Director

Easter Seals Alberta Society

Statement of Cash Flows

Year ended October 31	2022	2021
Operating		
Excess of revenue over expenses	\$ 7,441	\$ 1,023,860
Adjustments for		
Amortization of deferred capital contributions	(553,317)	(380,979)
Amortization	386,772	404,626
Loss on disposition of property and equipment	187,358	-
Unrealized loss (gain) on investments	147,246	(82,292)
	175,500	965,215
Change in non-cash working capital items		
Accounts receivable	(124,763)	230,822
Prepaid expenses	(12,919)	(69,449)
Accounts payable and accrued liabilities	(68,008)	141,993
Deferred provincial contributions	(81,431)	39,220
Externally restricted contributions	(176,646)	(228,520)
	(288,267)	1,079,281
Investing		
Purchase of investments, net of proceeds	(69,164)	(12,018)
Purchase of property and equipment	(224,797)	(238,192)
	(293,961)	(250,210)
Financing		
Deferred capital contributions	225,011	210,223
(Decrease) increase in cash	(357,217)	1,039,294
Cash, beginning of year	2,040,707	1,001,413
	\$ 1,683,490	\$ 2,040,707
Cash is comprised of:		
Cash	\$ 1,496,046	\$ 1,904,348
Restricted cash	187,444	136,359
	\$ 1,683,490	\$ 2,040,707

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

1. Purpose of the Society

Easter Seals Alberta Society (the "Society") is a not-for-profit organization incorporated under the Societies Act of Alberta. As a registered charity, the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society provides services that foster inclusion, independence and recreation for individuals with disabilities and medical conditions. Recreation camp, Residential home, Equipment and support services include specific programs for Camp Horizon and McQueen Residence Program. The Society provides various additional services which include the consultation, education and promotion of social policy which assists disabled Albertans within the community at large.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit less cheques issued and outstanding, cash held within investment portfolios, short-term deposits with original maturities of three months or less and net draws on the operating line of credit, as applicable.

Investments

Equity investments that are quoted in an active market are carried at fair value. Other investments are carried at amortized cost. See financial instruments policy for further details.

Estates and bequests investments, which consist of federal, provincial and corporate bonds are recorded at amortized cost.

Financial instruments

The Society's financial instruments are measured at fair value when issued or acquired except for certain non-arm's length transactions, which are measured at cost or fair value depending on the nature of the transaction. The Society has no non-arm's length transactions recorded at fair value. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost.

Transaction costs and financing fees related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method.

The Society's financial instruments recorded at amortized cost include cash, restricted cash, accounts receivable, investments other than equity investments, accounts payable and accrued liabilities and all deferred contributions (provincial, capital and externally restricted).

With respect to financial assets measured at cost or amortized cost, the Society recognizes in excess of revenue over expenses an impairment loss, if any, when it determines that a significant

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

2. Significant accounting policies (continued)

Financial instruments (continued)

adverse change has occurred during the period in the expected timing or amount of future cash flows. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the previously recognized impairment loss.

Property and equipment

Property and equipment having an individual value of \$1,000 or more and a useful life beyond one year is capitalized. Purchased property and equipment is recorded at cost. The cost for contributed property and equipment is considered to be fair value at the date of contribution. When fair market value cannot be reasonably determined, the contributed property and equipment is recorded at a nominal value. The cost of property and equipment made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components. Subsequent to acquisition, property and equipment is carried at cost, as previously defined, less accumulated amortization and any provision for impairment.

Property and equipment is amortized over its estimated useful life using the either the declining balance or straight-line method at the following annual rates:

Buildings	Declining balance	5%
Leasehold improvements	Straight-line	5 years
Equipment	Declining balance	20%
Land improvements	Declining balance	8%
Furniture and fixtures	Declining balance	20%
Automotive equipment	Declining balance	30%
Computer software	Declining balance	50%
Water treatment	Declining balance	10%

A full year of amortization is provided on property and equipment in the year in which it is purchased or when the project in process has been completed and the asset is available for use.

Impairment of long-lived assets

The Society tests long-lived assets for impairment whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected, or its carrying amount may not be recoverable. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Contributions restricted for purposes other than the acquisition of property and equipment are deferred and recognized as revenue in the year in which the related expenses are incurred.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

2. Significant accounting policies (continued)

Revenue recognition (continued)

Contributions related to the acquisition of property and equipment having limited lives are recorded as deferred capital contributions in the period in which they are utilized and are amortized to revenue over the useful life of the related assets. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets.

Other restricted contributions are recognized based on the nature of the related restriction.

Unrestricted contributions, including pledges, estates and bequests are recognized as revenue when received or receivable if the amount can be estimated and collection is reasonably assured.

Externally restricted endowment contributions are recognized as direct increases in net assets in the period received or receivable.

Residential home rental revenue, recreation camp fees, certain equipment support services revenue, investment income and other revenue are recognized when earned and collection is reasonable assured.

The Society recognized revenue from unrestricted grants when received, or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured and a commitment letter has been received.

Contributed goods and services

Contributed goods consist of gifts in kind and are recorded at fair market value at the time of donation when the amount can be reasonably estimated and the goods are used in the normal course of operations would otherwise have been purchased. During the fiscal year, \$5,779 in goods were donated (2021 - \$21,162) and are included in fundraising campaigns and events.

Contributed services include volunteer hours fulfilling the Society's mission. The value of these contributed services is not reflected in the financial statements since objective measurement and/or valuation is indeterminable.

Allocated expenses

The Society allocates the salaries of certain administrative managers to a number of functions within the organization based on percentages set by management.

Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Society are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

2. Significant accounting policies (continued)

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Such estimates include providing the recoverability of accounts receivable, useful lives and potential impairment of property and equipment, accrued liabilities and the likelihood of settlement of any contingent liabilities.

3. Cash and Restricted cash

	<u>2022</u>	<u>2021</u>
Restricted cash is comprised of:		
Casino	<u>\$ 187,444</u>	<u>\$ 136,359</u>

Cash held in the casino account is restricted, as per the restriction set forth by Alberta Gaming Liquor and Cannabis.

The general operating account held with CIBC has an authorized overdraft limit of \$400,000. As at October 31, 2022 and 2021, this overdraft had not been drawn upon.

4. Short-term investment

	<u>2022</u>	<u>2021</u>
Mutual Funds	<u>\$ 1,050,105</u>	<u>\$ 1,128,393</u>
GIC	<u>32,009</u>	<u>-</u>
	<u>\$ 1,082,114</u>	<u>\$ 1,128,393</u>

The Guaranteed Investment Certificate, bearing interest at 0.65% per annum maturing on December 29, 2022, is externally restricted and held to support the Standby Letter of Credit for the Camp Horizon land lease (Note 16).

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

5. Property and equipment

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Camp Horizon	\$ 11,366,780	\$ 5,755,586	\$ 5,611,194	\$ 5,802,036
Residential home	1,017,721	713,555	304,166	320,460
Equipment support services	82,377	80,390	1,987	7,080
Projects in progress	318,241	-	318,241	455,345
	<u>\$ 12,785,119</u>	<u>\$ 6,549,531</u>	<u>\$ 6,235,588</u>	<u>\$ 6,584,921</u>

Projects in progress relate to camp development for a water treatment facility. There are no commitments outstanding on this project.

Camp Horizon property and equipment includes building, land improvements, furniture, equipment, automotive equipment, and computer software. Residential home property and equipment includes building, land improvements, furniture and equipment. Equipment support services includes furniture, equipment and computer software. The breakdown of property and equipment into these categories is as follows:

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Buildings	\$ 9,378,599	\$ 3,910,026	\$ 5,468,573	\$ 5,593,672
Leasehold improvements	1,169,855	1,031,695	138,160	172,700
Projects in progress	318,241	-	318,241	455,345
Equipment	980,927	889,504	91,423	112,327
Land improvements	330,483	182,756	147,727	160,573
Furniture and fixtures	294,926	271,696	23,230	29,752
Automotive equipment	188,363	171,407	16,956	24,222
Computer software	87,299	85,526	1,773	3,546
Water treatment	36,426	6,921	29,505	32,784
	<u>\$ 12,785,119</u>	<u>\$ 6,549,531</u>	<u>\$ 6,235,588</u>	<u>\$ 6,584,921</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

6. Long-term investments

	<u>2022</u>	<u>2021</u>
Guaranteed Investment Certificate, bearing interest at 0.65% per annum maturing on December 29, 2022	\$ -	\$ 31,803
Shares - Sherritt Gordon	358	358
Interest - Land & mineral rights	<u>3</u>	<u>3</u>
	<u>\$ 361</u>	<u>\$ 32,164</u>

Funds received by planned gifts or bequest are invested with the assistance of professional investment counsellors in accordance with investment policies ratified by the Board of Directors.

7. Deferred provincial contributions

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 106,606	\$ 67,386
Receipts	1,199,801	1,759,254
Disbursements	<u>(1,281,232)</u>	<u>(1,720,034)</u>
	<u>\$ 25,175</u>	<u>\$ 106,606</u>

Deferred provincial contributions are restricted to support the Equipment support services program, and the McQueen Residence program. At the end of the year, \$25,175 (2021 - \$25,176) was restricted for Equipment and Support Service contracts and \$Nil (2021 - \$81,430) for the McQueen Group Home.

During fiscal 2022 year, Alberta Health Services announced clawbacks of funding surpluses relating to the Homecare Aide Funding for COVID-19. Accordingly, \$74,072 was repaid and an additional \$45,521 remains outstanding and is included in accounts payable and accrued liabilities as at October 31, 2022.

8. Deferred capital contributions

Deferred capital contributions include the unamortized portions of the contributed property and equipment and restricted contributions used to purchase property and equipment.

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 6,384,888	\$ 6,555,644
Contributed assets	225,011	210,223
Amounts amortized to revenue, including assets disposed of aggregating \$197,198 (2021 - \$Nil)	<u>(553,317)</u>	<u>(380,979)</u>
Balance, end of year	<u>\$ 6,056,582</u>	<u>\$ 6,384,888</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

9. Stabilization reserve fund

The stabilization reserve fund was established in 2009 to maintain financial reserves of at least one year of annual operating expense. An amount of \$590,000 (2021 - \$590,000) was determined to represent a normalized figure of the average direct costs of the Society over the past five years.

10. Estates and bequests contributions

Estates and bequests contributions consist of unrestricted funds provided to the Society by the direction of an estate or through a bequest. Proceeds from estates are deemed internally restricted and are recorded as income when received. Income earned by the estate and bequests investments is taken into income of the Society.

The approval of a majority of Board of Directors is required to permit any encroachment on the capital portion of the fund.

Estates and bequests contributions in the amount of \$77,132 (2021 - \$26,392) were received during the year and transferred to the Estates and bequests contributions internally restricted fund in accordance with the Society's bequest and planned contribution policy.

11. Endowment

	<u>2022</u>	<u>2021</u>
Senator Patrick Burns Foundation	\$ 100,000	\$ 100,000
Anonymous	5,000	5,000
	<u>\$ 105,000</u>	<u>\$ 105,000</u>

The terms of the contribution from the Senator Patrick Burns Foundation allow the Society to administer interest free loans to residents of Calgary under the age of 21 years.

The terms of the contribution from the anonymous donor allow the Society to use interest earned on the funds to provide subsidized camper fees.

The Fund principal is to remain intact at its original contribution to the Society.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

12. Government grant and contract funding

The Society applies for, and receives, grant and contract funding from government departments and agencies to defray some of the salary and operating expenses of its programs. The following amounts are included in revenue on the statement of operations:

	<u>2022</u>	<u>2021</u>
McQueen Residence	\$ 829,526	\$ 815,952
Equipment support services	302,110	297,643
Overnight camp grants	-	49,917
Employment grants	<u>73,071</u>	<u>9,321</u>
	<u>\$ 1,204,707</u>	<u>\$ 1,172,833</u>

13. Related party transactions

Included in fundraising campaigns and events expense during the year is \$73,517 (2021 - \$83,381) paid to Easter Seals Canada for administrative and licensing fees. Of this amount, \$Nil (2021 - \$11,413) is included in accounts payable and accrued liabilities at year end. The Society is a licensed member of Easter Seals Canada. As a part of the license agreement, the Society pays a fee to use the branding and a shared cost amount for national fundraising events.

Revenue received from Easter Seals Canada is \$76,414 (2021 - \$45,648)

These transactions are in the normal course of operations and are recorded at cost.

14. Charitable Fundraising Act (Alberta)

In accordance with the requirements of Section 7(2) of the Regulations of the Charitable Fundraising Act (Alberta), the Society provides the following supplementary information:

Gross contributions received during the year from fundraising campaigns and events aggregated \$1,021,320 (2021 - \$1,042,307).

Dispositions of contributions that were equal to or exceeds 10% of the gross contributions received were \$Nil (2021 - \$Nil).

Expenses incurred for the purposes of soliciting contributions totaled \$294,752 (2021 - \$222,146).

Remuneration paid to employees whose principal duties involve fundraising aggregated \$169,518 (2021 - \$112,307).

Gross contributions received were utilized as follows:

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

14. Charitable Fundraising Act (Alberta) (continued)

	<u>2022</u>	<u>2021</u>
Fundraising campaigns and events	\$ 481,576	\$ 417,024
Camp Horizon	383,253	250,475
Equipment support services	109,393	310,174
McQueen Residence	347	3,219
General administration	661	300
Outreach program	27,272	46,963
Virtual program	18,818	14,152
	<u>\$ 1,021,320</u>	<u>\$ 1,042,307</u>

15. Allocated personnel costs

The salaries of certain administrative staff are allocated as follows:

		<u>2022</u>		<u>2021</u>
General administration	20%	\$ 88,027	36%	\$ 110,601
Fundraising campaigns	38%	166,430	19%	56,942
Camp Horizon	13%	56,024	13%	37,938
Equipment support services	18%	78,893	16%	46,916
McQueen Group Home	7%	31,617	12%	34,925
Public education	4%	20,578	3%	10,526
Virtual program	0%	654	1%	3,684
		<u>\$ 442,223</u>		<u>\$ 301,532</u>

16. Commitments

The McQueen Road Residential Home is situated on land leased from the City of Edmonton for a 10 year term, expiring August 31, 2029. The lease payment on this property is \$2,600 per year.

Camp Horizon is situated on land leased from the Government of Alberta. The lease payment on this property is \$24.42 per year in perpetuity. The Standby Letter of Credit is supported by a Guaranteed Investment Certificate with a cost of \$30,000 (Note 4).

The Society's total obligations under the operating leases of office premise as well as office equipment for the next four years, exclusive of operating costs and taxes are as follows.

2023	\$ 92,245
2024	66,248
2025	16,495
2026	<u>2,690</u>
	<u>\$ 177,678</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

17. Financial instruments

The Society is exposed to various risks through its financial statements. The following analysis provides information about the Society's risk exposure and concentration as of October 31, 2022. Unless otherwise noted, the Society's risk exposure has not changed from the prior year.

(a) Credit risk

Financial instruments that potentially subject the Society to concentrations of credit risk consist primarily of cash, restricted cash, investments and accounts receivable.

With respect to cash, restricted cash and investments, the risk is due to the potential failure of the financial institution where the funds have been deposited or invested. The Society mitigates its exposure to credit loss by placing its cash, restricted cash and investments with reputable financial institutions.

With respect to accounts receivable, in the normal course of business, the Society evaluates the financial condition of its donors on a continuing basis and reviews the credit worthiness of all new donors. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific donors, historical trends, and other information.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market process. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to other price and interest risk through its investments.

(i) Interest rate risk

Interest rate risk refers to adverse consequences of interest rate changes on the Society's cash flows, financial position, and interest expense. Certain of the Society's investments are exposed to interest rate changes. The impact of adverse changes in interest rates is not considered material.

(ii) Other price risk - market value risk

Market value risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investments.

(c) 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 accounts payable and accrued liabilities. The Society manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2022

18. Government subsidies pertaining to COVID-19

On March 11, 2020 the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a global pandemic, resulting in significant public health measures and restrictions being put in place. As a result of the outbreak of COVID-19, the Society implemented public health official recommendations that included physical distancing and work from home directives. This prohibited certain fundraising campaigns and Program delivery was impacted by these directives with the temporary closure of Camp Horizon in the previous year. Most fundraising campaigns and Program delivery resumed in the current year.

The Society applied for and received the Federal wage subsidies aggregating \$28,890 (2021 - \$529,209) and the Federal rent subsidy aggregating \$4,018 (2021 - \$80,231).

19. Pension plan

The Society had a defined contribution pension plan that was wholly funded by contributions from the employer and employees. The pension costs related to current services were charged to operations on a current basis and were calculated as a percentage of the employees' earnings. The employer contributions that were expensed during fiscal 2021 aggregated \$19,084. Given there was only one person left in the plan, on August 31, 2021, the Society concluded the plan and transferred the entire plan balance aggregating \$706,734 to a Registered Retirement Savings Plan.

Easter Seals Alberta Society Externally Restricted Contributions

As at October 31, 2022

	ESS North	Outreach program	Camp Horizon	Camp Redevelopment	McQueen Group Home	ESS South	Casino	Scholarship Fund	Virtual Program	Office Restricted	Education Support Program	2022	2021
Opening	\$ 32,095	\$ 27,272	\$ 214,008	\$ 749,905	\$ 4,092	\$70,883	\$135,294	\$ 36,829	\$ 8,818	\$ -	\$ -	\$ 1,279,196	\$ 1,507,716
Receipts	73,069	-	161,515	9,481	-	46,651	201,158	53,000	10,000	21,479	24,500	600,853	533,346
Disbursements	(56,391)	(27,272)	(238,923)	(196,759)	(4,092)	(49,902)	(165,726)	(19,000)	(18,818)	(616)	-	(774,499)	(761,866)
Ending	\$ 48,773	\$ -	\$ 136,600	\$ 562,627	\$ -	\$67,632	\$170,726	\$ 70,829	\$ -	\$ 20,863	\$ 24,500	\$ 1,102,550	\$ 1,279,196

Externally restricted contributions represent unspent resources externally restricted for a number of purposes.

The Equipment and Support Services ("ESS") (North and South), Camp Horizon, McQueen Group Home and Outreach (COVID-19 Response) contributions were received from individuals, corporations, and charitable organizations for use by the Society to provide services and equipment to clients with specific needs. Contributions received from Camp redevelopment are used to expand and upgrade the facilities at Easter Seals Camp Horizon as part of a five year capital campaign and will be included as deferred capital contributions outlined in Note 8 when utilized in accordance with the agreements. Casino contributions are restricted as per restrictions set forth by Alberta Gaming Liquor and Cannabis.

The Society received an externally restricted contribution of \$125,000 in fiscal 2021 to the Camp redevelopment fund, with the condition that the contribution is to be matched by the Society prior to March 31, 2023. As at October 31, 2022, the Society has contributed \$91,982 total (2021 - \$37,500) towards the matching of this contribution.