

**EASTER SEALS ALBERTA SOCIETY**  
**Financial Statements**  
**Year Ended October 31, 2020**

**EASTER SEALS ALBERTA SOCIETY**  
**Index to Financial Statements**  
**Year Ended October 31, 2020**

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February 4, 2021  
Edmonton, Alberta

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Easter Seals Alberta Society

### **Report on the Financial Statements**

#### **Qualified 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, 2020, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at October 31, 2020, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### **Basis for Qualified Opinion**

In common with many charitable organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, cash flow from operating activities for the year end October 31, 2020 and current assets and net assets as at October 31, 2020.

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 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 qualified audit 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.

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Independent Auditor's Report to the Members of Easter Seals Alberta Society  
(continued)

Those charged with governance are responsible for overseeing the Society'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 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.

  
**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants



**EASTER SEALS ALBERTA SOCIETY****Statement of Operations****Year Ended October 31, 2020**

	2020	2019
<b>REVENUE</b>		
Fundraising campaigns and events	\$ 995,469	\$ 1,682,879
Residential home	886,236	850,221
Amortization of deferred capital contributions (Note 8)	417,385	474,079
Equipment Support Services	252,008	295,724
Recreation camp	128,833	1,106,247
Estates/bequests (Note 12)	61,484	-
Investment income	12,591	24,133
Other revenue and contributions	7,284	22,567
	<b>2,761,290</b>	<b>4,455,850</b>
<b>EXPENDITURES</b>		
Residential home	813,202	806,152
Recreation camp	616,023	1,626,176
Equipment Support Services	474,442	757,363
Amortization	440,719	496,246
General administration	429,939	577,427
Fundraising campaigns and events	275,112	577,217
Contributions to registered charitable organizations	89,569	85,197
Public education	6,563	10,361
	<b>3,145,569</b>	<b>4,936,139</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	<b>(384,279)</b>	<b>(480,289)</b>
<b>OTHER INCOME</b>		
Canada Emergency Wage Subsidy	465,564	-
Unrealized gain on investments	35,755	58,497
	<b>501,319</b>	<b>58,497</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 117,040</b>	<b>\$ (421,792)</b>

**EASTER SEALS ALBERTA SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended October 31, 2020**

	Stabilization reserve fund	Investment in property and equipment fund	Estates/ bequests contributions internally restricted fund	Endowment fund	Unrestricted net assets	2020	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>							
Excess (deficiency) of revenue over expenses	\$ 283,432	\$ 219,680	\$ -	\$ 105,000	\$ -	\$ 608,112	\$ 1,029,904
Transfers (Note 12)	-	(23,334)	-	-	140,374	117,040	(421,792)
Disposals of property and equipment	-	-	61,484	-	(61,484)	-	-
	-	(635)	-	-	635	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 283,432	\$ 195,711	\$ 61,484	\$ 105,000	\$ 79,525	\$ 725,152	\$ 608,112

# EASTER SEALS ALBERTA SOCIETY

## Statement of Financial Position

October 31, 2020

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 1,001,413	\$ 324,784
Short term investments (Note 4)	1,034,288	1,026,060
Accounts receivable	268,530	235,586
Prepaid expenses	39,403	49,304
	<b>2,343,634</b>	<b>1,635,734</b>
PROPERTY AND EQUIPMENT (Note 5)	<b>6,751,355</b>	<b>7,192,709</b>
LONG TERM INVESTMENTS (Note 6)	<b>31,959</b>	<b>361</b>
	<b>\$ 9,126,948</b>	<b>\$ 8,828,804</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 257,005	\$ 219,061
Source deductions payable	14,045	28,603
Deferred provincial contributions (Note 7)	89,715	30,871
Current portion of deferred capital contributions (Note 8)	417,385	474,079
	<b>778,150</b>	<b>752,614</b>
EXTERNALLY RESTRICTED CONTRIBUTIONS (Schedule 1)	<b>1,485,387</b>	<b>969,128</b>
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	<b>6,138,259</b>	<b>6,498,950</b>
	<b>8,401,796</b>	<b>8,220,692</b>
CONTINGENT LIABILITY (Note 9)		
COMMITMENTS (Note 10)		
<b>NET ASSETS</b>		
Stabilization reserve (Note 11)	283,432	283,432
Investment in property and equipment	195,711	219,680
Estates/ bequests contributions internally restricted (Note 12)	61,484	-
Endowment (Note 13)	105,000	105,000
Unrestricted net assets	79,525	-
	<b>725,152</b>	<b>608,112</b>
	<b>\$ 9,126,948</b>	<b>\$ 8,828,804</b>

ON BEHALF OF THE BOARD

 Director  
 Director

**EASTER SEALS ALBERTA SOCIETY****Statement of Cash Flow****Year Ended October 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Cash receipts from donors, clients and government	\$ 2,886,063	\$ 4,030,084
Cash paid to suppliers	(1,097,430)	(1,998,473)
Cash paid to employees	(1,108,565)	(2,304,779)
Cash flow from (used by) operating activities	680,068	(273,168)
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(110,371)
Proceeds on disposal of property and equipment	500	2,010
Purchase of short term investments	(3,939)	(24,115)
Proceeds on redemption of short term investments	-	500,000
Cash flow (used by) from investing activities	(3,439)	367,524
<b>INCREASE IN CASH</b>	676,629	94,356
<b>CASH - BEGINNING OF YEAR</b>	324,784	230,428
<b>CASH - END OF YEAR (Note 3)</b>	\$ 1,001,413	\$ 324,784

## EASTER SEALS ALBERTA SOCIETY

### Notes to Financial Statements

Year Ended October 31, 2020

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#### 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.

In addition to the programs included in these financial statements - recreation camp, residential home, Equipment and Support Services - the Society provides various additional services. These services include consultation, education and the promotion of social policy which assists disabled Albertans within the community at large.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

##### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit plus cash held within investment portfolios, less cheques issued and outstanding and net of draws on the operating line of credit.

Included in cash and cash equivalents are amounts restricted by the Alberta Gaming and Liquor Commission, as outlined in Note 3.

##### Short Term Investments

Equity investments are carried at fair value. Other investments are carried at amortized cost.

##### Estates/Bequests Investments

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

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## EASTER SEALS ALBERTA SOCIETY

### Notes to Financial Statements

Year Ended October 31, 2020

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### 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. Contributed property and equipment is recorded at fair market value at the date of contribution. When fair market value cannot be reasonably determined, the contributed property and equipment is recorded at nominal value.

Property and equipment is amortized over its estimated useful life using the diminishing balance method at the following annual rates:

Buildings	5%
Leasehold improvements	20%
Equipment	20%
Land improvements	8%
Furniture	20%
Automotive equipment	30%
Computer software	50%

In the year of purchase, amortization on property and equipment is accounted for on a full year basis.

Property and Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

##### Revenue Recognition

Easter Seals Alberta 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. Contributions restricted 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 contributions are recognized based on the nature of the related restriction.

Unrestricted contributions, including pledges, and 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.

Rental revenue and investment income are recognized when earned and collection is reasonably assured.

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

*(continues)*



## EASTER SEALS ALBERTA SOCIETY

### Notes to Financial Statements

Year Ended October 31, 2020

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Contributed Goods and Services

Contributed goods consist of gifts in kind and are recorded at their fair market value at the time of the donation. During the year \$102,164 in goods were donated (2019 - \$160,050) and are included in fundraising campaigns and events.

Contributed services include volunteer hours in fulfilling the Society's mission. Due to the difficulty in determining the value of contributed services, the Society chooses not to record contributed amounts in the financial statements.

##### 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 for amortization of property and equipment, the recoverability of accounts receivable and amortization of deferred capital contributions, and the likelihood of settlement of any contingent liabilities.

##### Financial Instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Society subsequently measures its financial instruments at amortized cost.

##### Disclosure of 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.

#### 3. CASH

	2020	2019
<b>Cash is comprised of the following:</b>		
Operating account	\$ 834,643	\$ 185,898
Casino account	166,170	135,061
Petty cash	600	3,825
	<b>\$ 1,001,413</b>	<b>\$ 324,784</b>

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

The general operating account held with CIBC has an authorized overdraft limit of \$400,000. As at October 31, 2020 this overdraft had not been drawn upon.

# EASTER SEALS ALBERTA SOCIETY

## Notes to Financial Statements

Year Ended October 31, 2020

### 4. SHORT TERM INVESTMENTS

	2020	2019
<b>Short term investments are comprised of:</b>		
Mutual funds	\$ 1,034,288	\$ 994,938
Guaranteed Investment Certificate, bearing interest at 2.00% maturing on June 29, 2020.	-	31,122
	<b>\$ 1,034,288</b>	<b>\$ 1,026,060</b>

The Guaranteed Investment Certificate is externally restricted and held to support the Standby Letter of Credit for the Camp Horizon land lease (see Note 10).

### 5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Camp Horizon	\$ 11,324,585	\$ (5,182,828)	\$ 6,141,757	\$ 6,561,546
Residential home	963,360	(671,843)	291,517	310,336
Equipment Support Services	163,388	(154,299)	9,089	11,835
Projects in progress	308,992	-	308,992	308,992
	<b>\$ 12,760,325</b>	<b>\$ (6,008,970)</b>	<b>\$ 6,751,355</b>	<b>\$ 7,192,709</b>

Projects in progress relate to camp redevelopment for a water treatment facility. Note that projects in progress are not subject to amortization until substantially completed and available for use.

Camp Horizon property and equipment includes building, projects in progress, land improvements, furniture, equipment, automotive equipment, and computer software. Residential home property and equipment includes building, land improvements, furniture, and equipment. Equipment Support Services' property and equipment includes furniture, equipment, and computer software. The breakdown of property and equipment into these categories is as follows:

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Buildings	\$ 9,374,414	\$ (3,491,524)	\$ 5,882,890	\$ 6,192,516
Leasehold improvements	1,169,855	(953,981)	215,874	269,843
Projects in progress	308,992	-	308,992	308,992
Equipment	1,004,637	(864,228)	140,409	175,513
Land improvements	280,259	(155,948)	124,311	135,121
Furniture	346,506	(309,314)	37,192	46,492
Automotive equipment	188,363	(153,767)	34,596	50,050
Computer software	87,299	(80,208)	7,091	14,182
	<b>\$ 12,760,325</b>	<b>\$ (6,008,970)</b>	<b>\$ 6,751,355</b>	<b>\$ 7,192,709</b>

**EASTER SEALS ALBERTA SOCIETY**  
**Notes to Financial Statements**  
**Year Ended October 31, 2020**

**6. LONG TERM INVESTMENTS**

	2020	2019
<b>Long term investments are comprised of:</b>		
Guaranteed Investment Certificate, bearing interest at 0.65% maturing on December 29, 2022.	\$ 31,598	\$ -
Shares - Sherritt Gordon	358	358
Interest - Land & mineral rights	3	3
	<b>\$ 31,959</b>	<b>\$ 361</b>

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

**7. DEFERRED PROVINCIAL CONTRIBUTIONS**

Deferred provincial contributions consist of the following:

	2020	2019
Balance, beginning of year	\$ 30,871	\$ 26,870
Receipts	1,109,082	1,097,170
Disbursements	(1,050,238)	(1,093,169)
	<b>\$ 89,715</b>	<b>\$ 30,871</b>

Deferred provincial contributions are restricted to support the Equipment and Support Services program, the Scholarship fund program and the McQueen Group Home program. At the end of the year, \$42,787 (2019 - \$24,542) was restricted for Equipment and Support Services contracts, \$22,329 (2019 - \$6,329) was restricted for Scholarship funds, and \$24,599 (2019 - \$nil) for the McQueen Group Home program.

**8. DEFERRED CAPITAL CONTRIBUTIONS**

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

	2020	2019
Balance, beginning of year	\$ 6,973,029	\$ 7,373,305
Contributed assets net of disposals	-	73,803
Amounts amortized to revenue	(417,385)	(474,079)
Balance, end of year	6,555,644	6,973,029
Amounts included in current liabilities	(417,385)	(474,079)
Amounts included in long term liabilities	<b>\$ 6,138,259</b>	<b>\$ 6,498,950</b>



## EASTER SEALS ALBERTA SOCIETY

### Notes to Financial Statements

Year Ended October 31, 2020

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#### 9. CONTINGENT LIABILITY

The Society has been named a defendant in a civil claim with respect to a former employee. Management is unable to determine the Society's potential liability, therefore no provision for possible loss has been included in these financial statements.

#### 10. 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.

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

2021	\$ 107,539
2022	70,218
2023	65,567
2024	61,213
2025	16,495
	<u>\$ 321,032</u>

#### 11. STABILIZATION RESERVE FUND

The Stabilization Reserve Fund was established in 2009 to maintain financial reserves of at least one year of annual operating expenses. An amount of \$590,000 (2019 - \$590,000) was determined to represent a normalized figure of the average direct costs of the Society over the past five years.

During the year ended October 31, 2019, the Society resolved to transfer \$306,568 from the Stabilization reserve fund to offset the deficit incurred during the year, resulting in a balance of \$283,432.

#### 12. ESTATES/BEQUESTS CONTRIBUTIONS

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

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

Estates/bequests contributions in the amount of \$61,469 (2019 - \$nil) were received during the year and transferred to the Estates/ bequests contributions internally restricted fund in accordance with the Society's bequest and planned contribution policy.

## EASTER SEALS ALBERTA SOCIETY

### Notes to Financial Statements

Year Ended October 31, 2020

#### 13. ENDOWMENT FUND

	2020	2019
Senator Patrick Burns Foundation	\$ 100,000	\$ 100,000
Anonymous Endowment	5,000	5,000
	<b>\$ 105,000</b>	<b>\$ 105,000</b>

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.

#### 14. GOVERNMENT GRANT/CONTRACT FUNDING

The Society applies for, and receives, grant/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:

	2020	2019
Residential home	\$ 788,372	\$ 750,744
Equipment Support Services	252,008	295,724
Employment grants	-	87,797
	<b>\$ 1,040,380</b>	<b>\$ 1,134,265</b>

In addition, during the year, the Government of Canada passed legislation offering subsidies to employers in order to assist with wage costs. The Society benefited from the Canadian Emergency Wage Subsidy (CEWS) for remuneration paid between March 15, 2020 to October 31, 2020 in the amount of \$465,564 which has been recognized in the determination of net income in the year. Of this amount, \$93,812 is receivable at year-end.

#### 15. RELATED PARTY TRANSACTIONS

Included in fundraising campaigns and events expense during the year are \$89,569 (2019 - \$85,197) paid to Easter Seals Canada for administrative and licensing fees. Included in accounts payable and accrued liabilities is \$41,703 (2019 - \$nil) payable to the related party. Easter Seals Alberta is a licensed member of Easter Seals Canada. As a part of the license agreement, Easter Seals Alberta pays a fee to use the branding and a shared cost amount for federal fundraising events.

Included in general administration expense during the year are \$25,420 (2019 - \$nil) paid to a member of the board for consulting work completed with respect to strategy and governance.

The transactions are in the normal course of operations and recorded at the exchange amount.

## EASTER SEALS ALBERTA SOCIETY

### Notes to Financial Statements

Year Ended October 31, 2020

#### 16. CHARITABLE FUNDRAISING ACT (ALBERTA)

The following supplementary information is disclosed in compliance with the Charitable Fundraising Act (Alberta) and related Regulations:

	2020	2019
Fundraising campaigns and events	\$ 995,469	\$ 1,683,254
Gaming revenues	112,462	123,004
Total amount paid as remuneration to employees of the organization whose principal duties involved fundraising	205,569	311,685

#### 17. PENSION PLAN

	2020	2019
Employer contributions expensed during current year	\$ 30,651	\$ 40,497
Estimated value of plan	872,470	1,051,799
Total active members	12	28

Pension costs related to current services are charged to operations on a current basis and are calculated as a percentage of employees' earnings. The pension plan is a defined contribution plan and is funded wholly by contributions from the employer and employees.

#### 18. ALLOCATED EXPENSES

The salaries of certain administrative managers are allocated as follows:

	2020	2019
General administration	34% \$ 182,813	45% \$ 230,561
Fundraising campaigns	27% 144,185	19% 95,884
Recreation camp	16% 88,070	2% 9,976
Equipment Support Services	16% 85,852	25% 130,118
Residential home	7% 40,925	9% 46,782
	\$ 541,845	\$ 513,321



## EASTER SEALS ALBERTA SOCIETY

### Notes to Financial Statements

Year Ended October 31, 2020

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#### 19. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of October 31, 2020. Unless otherwise noted, the Society's risk exposure has not changed from the prior year.

##### Credit risk

Financial instruments that potentially subject the Society to concentrations of credit risk consist primarily of 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.

##### 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 prices. 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 risk through its marketable securities.

#### 20. COVID-19

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Society or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Society's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Society's business, financial condition or results of operations. Specifically, physical distancing and work from home directives contributed to the closure of office space and prohibited certain fundraising campaigns including the annual Easter Seals Golf Tournament and the We Care Ball. Program delivery was also impacted by these directives with temporary closure of Camp Horizon. The financial uncertainty created by the pandemic has negatively impacted fundraising and as a result the Society has placed greater restrictions on discretionary spending. The extent to which the COVID-19 outbreak impacts the Society's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

#### 21. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

# EASTER SEALS ALBERTA SOCIETY

## Schedule of Externally Restricted Contributions Year Ended October 31, 2020

(Schedule 1)

	Equipment and Support Services North	Covid-19 Response	Camp Horizon	Camp Redevelop- ment	McQueen Group Home	Equipment and Support Service South	Casino	2020	2019
Opening	\$ 8,683	\$ -	\$ 180,256	\$ 638,570	\$ 22,414	\$ 47,869	\$ 71,336	\$ 969,128	\$ 874,323
Receipts	75,661	75,000	187,713	265,000	27,000	67,615	107,913	805,902	655,964
Disbursements	(13,535)	-	(119,850)	-	(176)	(43,620)	(112,462)	(289,643)	(561,159)
Transfers	-	-	-	37,500	-	-	(37,500)	-	-
	\$ 70,809	\$ 75,000	\$ 248,119	\$ 941,070	\$ 49,238	\$ 71,864	\$ 29,287	\$ 1,485,387	\$ 969,128

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

The Equipment and Support Services (North and South), Camp Horizon, McQueen Group Home and 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 for 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 the Alberta Gaming and Liquor Commission.

The Society has received an externally restricted contribution of \$125,000 to the Camp Redevelopment fund, with the condition that the contribution is to be matched by the Society prior to January 23, 2022. As at October 31, 2020, the Society has received \$37,500 towards the matching of this contribution. Camp Redevelopment also includes an additional contribution of \$140,000 which must also be matched by the Society, however, there is no specified timeline.