



Financial Statements

Easter Seals Alberta Society

October 31, 2023

Easter Seals Alberta Society

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Independent Auditor's Report

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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, 2023, 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, 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 ("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 25, 2024

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	2023	2022
Revenue		
Fundraising campaigns and events	\$ 1,467,339	\$ 1,243,876
Recreation camp	1,137,154	512,692
Residential home	913,353	927,648
Amortization of deferred capital contributions (Note 8)	639,016	553,317
Equipment support services	307,926	302,110
Investment income	87,437	43,670
Estates and bequests (Note 10)	10,320	77,132
Other revenue and contributions	6,175	3,057
Government subsidies pertaining to COVID-19	-	32,908
	<u>4,568,720</u>	<u>3,696,410</u>
Expenses		
Recreation camp	1,442,153	1,103,647
Residential home	837,337	789,064
Equipment support services	469,895	366,753
Amortization	362,981	386,772
General administration	341,985	252,782
Fundraising campaigns and events	313,086	294,752
Impairment loss from property and equipment (Note 5)	303,130	-
Administration and licensing fees (Note 13)	71,938	73,517
Public education	41,725	23,552
Scholarship Fund	40,338	-
Virtual program	25,809	35,468
Outreach program	-	28,058
	<u>4,250,377</u>	<u>3,354,365</u>
Excess of revenue over expenses from operations	<u>318,343</u>	<u>342,045</u>
Other income (expense)		
Gain (loss) on disposition of property and equipment	231	(187,358)
Unrealized loss on investments	(9,765)	(147,246)
	<u>(9,534)</u>	<u>(334,604)</u>
Excess of revenue over expenses	<u>\$ 308,809</u>	<u>\$ 7,441</u>

Easter Seals Alberta Society

Statement of Changes In Net Assets

	Stabilization reserve	Investment in property and equipment	Estates and bequests contributions	Endowment	Unrestricted	2023	2022
Net assets, beginning of year	\$ 590,000	\$ 179,006	\$ 165,008	\$ 105,000	\$ 717,439	\$ 1,756,453	\$ 1,749,012
Excess of revenue over expenses	-	(26,864)	-	-	335,673	308,809	7,441
Transfers (Note 10)	-	-	10,320	-	(10,320)	-	-
Property and equipment purchased with unrestricted funds	-	50,772	-	-	(50,772)	-	-
Net assets, ending of year	<u>\$ 590,000</u>	<u>\$ 202,914</u>	<u>\$ 175,328</u>	<u>\$ 105,000</u>	<u>\$ 992,020</u>	<u>\$ 2,065,262</u>	<u>\$ 1,756,453</u>

See accompanying notes to the financial statements.

Easter Seals Alberta Society

Statement of Financial Position

As at October 31

2023

2022

Assets

Current

Cash (Note 3)	\$ 946,862	\$ 1,496,046
Restricted cash (Note 3)	172,944	187,444
Short-term investment (Note 4)	1,900,759	1,082,114
Accounts receivable	174,838	162,471
Prepaid expenses	130,891	121,771
	<u>3,326,294</u>	<u>3,049,846</u>
Property and equipment (Note 5)	5,742,175	6,235,588
Long-term investments (Note 6)	33,254	361
	<u>\$ 9,101,723</u>	<u>\$ 9,285,795</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 7)	\$ 184,141	\$ 345,035
Deferred provincial contributions (Note 7)	121,515	25,175
Externally restricted contributions (Schedule 1)	1,152,073	1,078,592
Deferred revenue	-	23,958
	<u>1,457,729</u>	<u>1,472,760</u>
Deferred capital contributions (Note 8)	5,539,261	6,056,582
Deferred lease inducements	39,471	-
	<u>7,036,461</u>	<u>7,529,342</u>

Net assets

Stabilization reserve (Note 9)	590,000	590,000
Investment in property and equipment	202,914	179,006
Estates and bequests contributions internally restricted (Note 10)	175,328	165,008
Endowment (Note 11)	105,000	105,000
Unrestricted	992,020	717,439
	<u>2,065,262</u>	<u>1,756,453</u>
	<u>\$ 9,101,723</u>	<u>\$ 9,285,795</u>

Commitments (Note 16)

On behalf of the board

DocuSigned by:

Adam Darbellay

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Director

DocuSigned by:

Vipul K. Singh

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Director

Easter Seals Alberta Society

Statement of Cash Flows

Year ended October 31	2023	2022
Operating		
Excess of revenue over expenses	\$ 308,809	\$ 7,441
Adjustments for		
Amortization of deferred capital contributions	(639,016)	(553,317)
Amortization	362,981	386,772
(Gain) loss on disposition of property and equipment	(231)	187,358
Unrealized loss on investments	9,765	147,246
Impairment loss from property and equipment	303,130	-
Amortization of deferred lease inducements	1,281	-
	346,719	175,500
Change in non-cash working capital items		
Accounts receivable	(12,367)	(124,763)
Prepaid expenses	(9,120)	(12,919)
Accounts payable and accrued liabilities	(160,894)	(68,008)
Deferred provincial contributions	96,340	(81,431)
Externally restricted contributions	73,481	(137,689)
Deferred revenue	(23,958)	(38,957)
Deferred lease inducements	38,190	-
	348,391	(288,267)
Investing		
Purchase of investments, net of proceeds	(861,303)	(69,164)
Purchase of property and equipment	(172,967)	(224,797)
Proceeds on disposal of property and equipment	500	-
	(1,033,770)	(293,961)
Financing		
Deferred capital contributions	121,695	225,011
Decrease in cash	(563,684)	(357,217)
Cash, beginning of year	1,683,490	2,040,707
Cash, end of year	\$ 1,119,806	\$ 1,683,490
Cash is comprised of:		
Cash	\$ 946,862	\$ 1,496,046
Restricted cash	172,944	187,444
	\$ 1,119,806	\$ 1,683,490

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

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, investments other than equity investments, accounts receivable, accounts payable and accrued liabilities and all deferred contributions (provincial, capital and externally restricted).

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

2. Significant accounting policies (continued)

Financial instruments (continued)

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 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.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

2. Significant accounting policies (continued)

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.

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 or services are provided 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, \$26,952 in goods were donated (2022 - \$5,779) 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.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

2. Significant accounting policies (continued)

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.

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>2023</u>	<u>2022</u>
Restricted cash is comprised of:		
Casino	\$ 172,944	\$ 187,444

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, 2023 and 2022, this overdraft had not been drawn upon.

4. Short-term investment

	<u>2023</u>	<u>2022</u>
Mutual Funds	\$ 1,076,760	\$ 1,050,105
GIC	823,999	32,009
	\$ 1,900,759	\$ 1,082,114

The Guaranteed Investment Certificate bears interest at 4.25% (2022 - 0.65%) per annum and matures on July 8, 2024 (2022 - December 29, 2022). In 2022, the Guaranteed Investment Certificate was externally restricted and held to support the Standby Letter of Credit for the Camp Horizon land lease (Note 16). In 2023, this investment is reflected in the long term investments given the renewed maturity date (Note 6).

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

5. Property and equipment

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Camp Horizon	\$ 11,507,632	\$ 6,085,669	\$ 5,421,963	\$ 5,611,194
Residential home	1,020,850	732,953	287,897	304,166
Equipment support services	85,682	53,777	31,905	1,987
Projects in progress	410	-	410	318,241
	<u>\$ 12,614,574</u>	<u>\$ 6,872,399</u>	<u>\$ 5,742,175</u>	<u>\$ 6,235,588</u>

During the year, management determined that the water treatment facility development recorded in "Projects in progress" was fully impaired. The project was stopped after consultation with a secondary contractor and the development and finalization of a more affordable water treatment facility. The new facility was completed and available for use at the end of fiscal 2022. During fiscal 2023, Management considered selling the components of the original project, however determined the amounts would not be recoverable. Accordingly the entire project costs aggregating \$303,130 were impaired. Given that this project was fully funded through restricted contributions an additional \$303,130 of amortization of deferred capital contributions was recognized in fiscal 2023 (Note 8).

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 and leasehold improvements, water treatment and projects in progress is as follows:

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Buildings	\$ 9,513,271	\$ 4,190,188	\$ 5,323,083	\$ 5,468,573
Leasehold improvements	1,208,045	1,066,966	141,079	138,160
Equipment	991,993	909,793	82,200	91,423
Land improvements	330,483	194,574	135,909	147,727
Furniture and fixtures	295,204	273,945	21,259	23,230
Automotive equipment	182,863	171,183	11,680	16,956
Computer software	55,879	55,879	-	1,773
Water treatment	36,426	9,871	26,555	29,505
Projects in progress	410	-	410	318,241
	<u>\$ 12,614,574</u>	<u>\$ 6,872,399</u>	<u>\$ 5,742,175</u>	<u>\$ 6,235,588</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

6. Long-term investments

	<u>2023</u>	<u>2022</u>
Guaranteed Investment Certificate, bearing interest at 3.20% per annum maturing on June 30, 2025	\$ 32,893	\$ -
Shares - Sherritt Gordon	358	358
Interest - Land & mineral rights	3	3
	<u>\$ 33,254</u>	<u>\$ 361</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.

The Guaranteed Investment Certificate is externally restricted and held to support the Standby Letter of Credit for the Camp Horizon land lease (Note 16).

7. Deferred provincial contributions

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 25,175	\$ 106,606
Receipts	1,214,698	1,199,801
Disbursements	<u>(1,118,358)</u>	<u>(1,281,232)</u>
	<u>\$ 121,515</u>	<u>\$ 25,175</u>

Deferred provincial contributions are restricted to support the Equipment support services program, and the McQueen Residence program. At the end of the year, \$44,111 (2022 - \$25,175) was restricted for Equipment and Support Service contracts and \$29,915 (2022 - \$Nil) for the McQueen Group Home.

During fiscal 2022 and 2023, Alberta Health Services announced clawbacks of funding surpluses relating to the Homecare Aide Funding for COVID-19. Accordingly, during fiscal 2023 \$37,637 (2022 - \$74,072) was repaid and an additional \$47,489 (2022 - \$45,521) remains outstanding of which \$Nil is included in accounts payable and accrued liabilities as at October 31, 2023 (2022 - \$45,521).

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 6,056,582	\$ 6,384,888
Contributed assets	121,695	225,011
Amounts amortized to revenue, including assets disposed of aggregating \$303,130 (2022 - \$197,198)	<u>(639,016)</u>	<u>(553,317)</u>
Balance, end of year	<u>\$ 5,539,261</u>	<u>\$ 6,056,582</u>

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 (2022 - \$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 \$10,320 (2022 - \$77,132) 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>2023</u>	<u>2022</u>
Senator Patrick Burns Foundation	\$ 100,000	\$ 100,000
Anonymous	<u>5,000</u>	<u>5,000</u>
	<u>\$ 105,000</u>	<u>\$ 105,000</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

11. Endowment (continued)

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.

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>2023</u>	<u>2022</u>
McQueen Residence	\$ 810,433	\$ 829,526
Equipment support services	307,926	302,110
Employment grants	<u>117,570</u>	<u>73,071</u>
	<u>\$ 1,235,929</u>	<u>\$ 1,204,707</u>

13. Related party transactions

During fiscal 2023 \$71,938 (2022 - \$73,517) was paid to Easter Seals Canada for administrative and licensing fees. 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 \$130,506 (2022 - \$76,414), which is included in fundraising campaigns and events revenue.

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

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

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 \$1,148,623 (2022 - \$1,021,320).

Dispositions of contributions that were equal to or exceeds 10% of the gross contributions received were \$Nil (2022 - \$Nil).

Expenses incurred for the purposes of soliciting contributions totaled \$313,086 (2022 - \$294,752).

Remuneration paid to employees whose principal duties involve fundraising aggregated \$223,731 (2022 - \$169,518).

Gross contributions received were utilized as follows:

	<u>2023</u>	<u>2022</u>
Fundraising campaigns and events	\$ 541,092	\$ 481,576
Camp Horizon	464,540	383,253
Equipment support services	116,529	109,393
McQueen Residence	328	347
General administration	26,134	661
Outreach program	-	27,272
Virtual program	-	18,818
	<u>\$ 1,148,623</u>	<u>\$ 1,021,320</u>

15. Allocated personnel costs

The salaries of certain administrative staff are allocated as follows:

		<u>2023</u>		<u>2022</u>
General administration	22%	\$ 89,493	20%	\$ 88,027
Fundraising campaigns	40%	165,519	38%	166,430
Camp Horizon	9%	36,297	13%	56,024
Equipment support services	13%	55,191	18%	78,893
McQueen Group Home	8%	32,909	7%	31,617
Public education	8%	35,310	4%	20,578
Virtual program	0%	-	0%	654
		<u>\$ 414,719</u>		<u>\$ 442,223</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

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 \$1 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 (Notes 4 and 6).

The Society's total obligations under the 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.

2024	\$ 83,903
2025	46,861
2026	28,199
2027	28,197
2028	29,061
Thereafter	<u>26,639</u>
	<u>\$ 242,860</u>

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, 2023. 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.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2023

17. Financial instruments (continued)

(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.

18. Comparative figures

The statement of financial position and statement of cash flows have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the prior year excess of revenue over expenses.

Easter Seals Alberta Society Externally Restricted Contributions

As at October 31, 2023

	ESS North	Camp Horizon	Camp Redevelopment	McQueen Group Home	ESS South	Casino	Scholarship Fund	Office Restricted	Education Support Program	2023	2022
Opening	\$ 48,773	\$ 112,642	\$ 562,627	\$ -	\$67,632	\$170,726	\$ 70,829	\$ 20,863	\$ 24,500	\$ 1,078,592	\$ 1,216,281
Receipts	3,626	28,500	48,389	7,500	73,896	201,350	260,000	17,796	24,500	665,557	506,992
Disbursements	(46,110)	(111,581)	(76,113)	(2,452)	(45,659)	(205,848)	(40,338)	(28,975)	(35,000)	(592,076)	(644,681)
Ending	<u>\$ 6,289</u>	<u>\$ 29,561</u>	<u>\$ 534,903</u>	<u>\$ 5,048</u>	<u>\$95,869</u>	<u>\$166,228</u>	<u>\$ 290,491</u>	<u>\$ 9,684</u>	<u>\$ 14,000</u>	\$ 1,152,073	<u>\$ 1,078,592</u>

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

The Equipment and Support Services ("ESS") (North and South), Camp Horizon and McQueen Group Home 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 Scholarship Fund contributions were received from individuals and corporations for use by the Society to provided scholarships to post-secondary education students who meet the eligibility established by each individual donor. Contributions are deferred until payment is made to an eligible applicant.

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, 2023, the project was concluded and the Society contributed an aggregated \$112,185 (2022 - \$91,982) towards the matching of this contribution. Accordingly, the excess funding of \$12,815 was repaid to the Government of Alberta.

The Society received an externally restricted contribution of \$38,389 in fiscal 2023 to the Camp Redevelopment fund, with the condition that the contribution is to be matched by the Society prior to February 28, 2025. As at October 31, 2023, the Society has contributed \$Nil.