



Financial Statements

Easter Seals Alberta Society

October 31, 2024

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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, 2024, 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, 2024, 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
March 28, 2025

Doane Grant Thornton LLP

Chartered Professional Accountants

Easter Seals Alberta Society

Statement of Operations

Year ended October 31

2024

2023

Revenue

Fundraising campaigns and events	\$ 1,623,242	\$ 1,467,339
Recreation camp	1,153,256	1,137,154
Residential home	969,929	913,353
Amortization of deferred capital contributions (Note 8)	326,565	639,016
Family resource centre	682,099	307,926
Investment income	115,635	87,437
Estates and bequests (Note 10)	61,304	10,320
Other revenue and contributions	30,768	6,175
	<u>4,962,798</u>	<u>4,568,720</u>

Expenses

Recreation camp	1,712,001	1,442,153
Residential home	929,222	837,337
Family resource centre	812,506	469,895
Amortization	347,441	362,981
General administration	463,759	341,985
Fundraising campaigns and events	370,807	313,086
Administration and licensing fees (Note 13)	75,319	71,938
Public education	46,726	41,725
Scholarship fund	-	40,338
Virtual program	-	25,809
	<u>4,757,781</u>	<u>3,947,247</u>

Excess of revenue over expenses from operations

<u>205,017</u>	<u>621,473</u>
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Other income (expense)

Gain on disposition of property and equipment	37,069	231
Unrealized gain (loss) on investments	90,401	(9,765)
Impairment loss from property and equipment	-	(303,130)
	<u>127,470</u>	<u>(312,664)</u>

Excess of revenue over expenses

<u>\$ 332,487</u>	<u>\$ 308,809</u>
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Easter Seals Alberta Society

Statement of Changes In Net Assets

	Stabilization reserve	Investment in property and equipment	Estates and bequests contributions	Endowment	Unrestricted	2024	2023
Net assets, beginning of year	\$ 590,000	\$ 202,914	\$ 175,328	\$ 105,000	\$ 992,020	\$ 2,065,262	\$ 1,756,453
Excess of revenue over expenses	-	(23,021)	-	-	355,508	332,487	308,809
Transfers (Note 10)	-	-	61,304	-	(61,304)	-	-
Net liabilities assumed through aquisition (Note 3)	-	-	-	-	(70,574)	(70,574)	-
Property and equipment purchased with unrestricted funds	-	34,866	-	-	(34,866)	-	-
Net assets, ending of year	\$ 590,000	\$ 214,759	\$ 236,632	\$ 105,000	\$ 1,180,784	\$ 2,327,175	\$ 2,065,262

See accompanying notes to the financial statements.

Easter Seals Alberta Society

Statement of Financial Position

As at October 31

2024

2023

Assets

Current

Cash (Note 4)	\$ 1,077,183	\$ 946,862
Restricted cash (Note 4)	276,400	172,944
Short term investments (Note 5)	2,206,210	1,900,759
Accounts receivable	233,707	174,838
Prepaid expenses	134,614	130,891
	3,928,114	3,326,294
Property and equipment (Note 6)	5,508,412	5,742,175
Long-term investments	361	33,254
	\$ 9,436,887	\$ 9,101,723

Liabilities

Current

Accounts payable and accrued liabilities	\$ 273,693	\$ 184,141
Deferred provincial contributions (Note 7)	49,106	121,515
Externally restricted contributions (Schedule 1)	1,380,749	1,152,073
Lease obligation (Note 17)	43,604	-
	1,747,152	1,457,729
Deferred capital contributions (Note 8)	5,293,654	5,539,261
Deferred lease inducements	54,848	39,471
Lease obligation (Note 17)	14,058	-
	7,109,712	7,036,461

Net assets

Stabilization reserve (Note 9)	590,000	590,000
Investment in property and equipment	214,759	202,914
Estates and bequests contributions internally restricted (Note 10)	236,632	175,328
Endowment (Note 11)	105,000	105,000
Unrestricted	1,180,784	992,020
	2,327,175	2,065,262
	\$ 9,436,887	\$ 9,101,723

On behalf of the board

Signed by:

Graeme Hutchinson

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Director

DocuSigned by:

Trevor Brick

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Director

Easter Seals Alberta Society

Statement of Cash Flows

Year ended October 31

2024

2023

Operating

Excess of revenue over expenses	\$ 332,487	\$ 308,809
Adjustments for		
Amortization of deferred capital contributions	(326,565)	(639,016)
Amortization	347,441	362,981
Gain on disposition of property and equipment	(37,069)	(231)
Unrealized (gain) loss on investments	(90,401)	9,765
Impairment loss from property and equipment	-	303,130
Change in deferred lease inducements	15,377	39,471
	<u>241,270</u>	<u>384,909</u>
Change in non-cash working capital items		
Accounts receivable	(58,869)	(12,367)
Prepaid expenses	(3,722)	(9,120)
Accounts payable and accrued liabilities	76,639	(160,894)
Deferred provincial contributions	(72,410)	96,340
Externally restricted contributions	228,676	73,481
Deferred revenue	-	(23,958)
	<u>411,584</u>	<u>348,391</u>

Investing

Purchase of investments, net of proceeds	(182,156)	(861,303)
Purchase of property and equipment	(110,815)	(172,967)
Proceeds on disposal of property and equipment	34,206	500
	<u>(258,765)</u>	<u>(1,033,770)</u>

Financing

Deferred capital contributions	<u>80,958</u>	<u>121,695</u>
Increase (decrease) in cash	233,777	(563,684)
Cash, beginning of year	<u>1,119,806</u>	<u>1,683,490</u>
Cash, end of year	<u>\$ 1,353,583</u>	<u>\$ 1,119,806</u>

Cash is comprised of:

Cash	\$ 1,077,183	\$ 946,862
Restricted cash	<u>276,400</u>	<u>172,944</u>
	<u>\$ 1,353,583</u>	<u>\$ 1,119,806</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2024

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

Cash consists of bank deposits less cheques issued and outstanding, cash held within investment portfolios and short-term deposits with original maturities of three months or less.

Financial instruments

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Society accounts for cash, restricted cash, investments, accounts receivable, accounts payable and accrued liabilities and all deferred contributions as financial instruments.

A financial asset or liability is recognized when the Society becomes party to contractual provisions of the instrument. The Society initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions. The Society subsequently measures its financial assets and liabilities at cost or amortized cost less any reduction for impairment, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

Financial assets and liabilities that are not subsequently measured at fair value are initially adjusted for transaction costs and financing fees directly attributable to their origination, acquisition, issuance or assumption. Transaction costs and financing fees are recorded as revenue or expense over the term of the related financial asset or liability. All other transaction costs are recognized in the statement of operations when incurred.

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

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

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2024

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets and liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Society does not have any financial assets or liabilities in related party transactions which are initially measured at fair value. Gains or losses arising on initial measurement differences are generally recognized in the statement of operations when the transaction is in the normal course of operations, and in net assets when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and liabilities recognized in related party transactions are subsequently measured based on how the Society initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Society has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Property and equipment

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 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, 2024

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 as revenue at the time eligible expenditures are incurred.

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.

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, \$26,643 in goods were donated (2023 - \$26,952) 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, 2024

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, completeness of accrued liabilities and the likelihood of settlement of any contingent liabilities.

3. Business acquisition

On April 30, 2024, Easter Seals Alberta Society completed the acquisition of the net assets and operations of Children's Link Society ("CLS"). The Transaction was accounted for in accordance with Section 4449 – Combinations by Not for Profit Organizations under ASNPO.

The acquisition was undertaken as a strategic decision to expand on Easter Seal Alberta Society's current service offerings that would include the provision of family resource centre services.

The transaction was accounted for using the acquisition method. Details of the acquisition are as follows:

	<u>2024</u>
Cash	\$ 88,535
Tangible capital assets	5,008
Other receivables	<u>15,328</u>
Total assets acquired	<u>108,871</u>
Accounts payables and accrued liabilities	(29,145)
Deferred contributions	(73,312)
Lease liabilities	<u>(76,989)</u>
Total liabilities assumed	<u>(179,446)</u>
Net liabilities assumed	<u>\$ (70,575)</u>

As the result of the acquisition, the financial statements of Easter Seals Alberta Society now reflects the combined operations of both societies as of April 30, 2024 with no comparatives restated to reflect the acquisition.

Easter Seals Alberta Society
Notes to the Financial Statements

Year ended October 31, 2024

4. Cash and restricted cash

	<u>2024</u>	<u>2023</u>
Restricted cash is comprised of:		
Casino	<u>\$ 276,400</u>	<u>\$ 172,944</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, 2024 and 2023, this overdraft had not been drawn upon. In addition the Society has a \$30,000 letter of credit issued and outstanding as at December 31, 2024 (2023 - \$30,000). These facilities are secured by all present and after acquired property of the Society and investments, are due on demand and bear interest at the bank's prime rate per annum.

5. Short term investments

	<u>2024</u>	<u>2023</u>
GICs	<u>\$ 1,091,228</u>	<u>\$ 823,999</u>
Mutual funds	<u>1,114,982</u>	<u>1,076,760</u>
	<u>\$ 2,206,210</u>	<u>\$ 1,900,759</u>

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

The GIC's bear interest at rates ranging from 3.2% and 5.85% per annum and mature in the 2025 fiscal year.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2024

6. Property and equipment

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Camp Horizon	\$ 11,486,880	\$ 6,350,680	\$ 5,136,200	\$ 5,421,963
Residential home	1,022,969	751,186	271,783	287,897
Family resource centre	137,851	84,738	53,113	31,905
Projects in progress	47,316	-	47,316	410
	<u>\$ 12,695,016</u>	<u>\$ 7,186,604</u>	<u>\$ 5,508,412</u>	<u>\$ 5,742,175</u>

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. The residential home is situated on land leased from the Province of Alberta, the lease expires in 2029. Amortization of the building and associated improvements is determined in accordance with the Society's accounting policies, which assumes the Society's continued ability to use or lease these lands subsequent to the expiry of the lease agreement. Family resource centre (previously Equipment support services) includes furniture, equipment and computer software as well as leasehold improvements acquired as part of the CLS acquisition (Note 3). The breakdown of property and equipment into these categories and leasehold improvements, water treatment and projects in progress is as follows:

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Buildings	\$ 9,526,084	\$ 4,456,983	\$ 5,069,101	\$ 5,323,083
Leasehold improvements	1,225,574	1,107,701	117,873	141,079
Equipment	1,004,652	928,723	75,929	82,200
Land improvements	330,483	205,447	125,036	135,909
Furniture and fixtures	316,538	282,505	34,033	21,259
Automotive equipment	134,960	128,286	6,674	11,680
Computer software	72,981	64,430	8,551	-
Water treatment	36,426	12,527	23,899	26,555
Projects in progress	47,316	-	47,316	410
	<u>\$ 12,695,014</u>	<u>\$ 7,186,602</u>	<u>\$ 5,508,412</u>	<u>\$ 5,742,175</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2024

7. Deferred provincial contributions

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 121,515	\$ 25,175
Receipts	1,427,503	1,214,698
Disbursements	<u>(1,499,913)</u>	<u>(1,118,358)</u>
	<u>\$ 49,105</u>	<u>\$ 121,515</u>

Deferred provincial contributions are restricted to support the Equipment support services program, and the McQueen Residence program. At the end of the year, \$49,105 (2023 - nil) was restricted for Family Support for Children with Disabilities (FSCD).

During fiscal 2022 and 2023 Alberta Health Services announced clawbacks of funding surpluses relating to the Homecare Aide Funding for COVID-19. During 2024 the Society has been reassessed for the years 2022/23 and 2023/24 for balances outstanding. Accordingly, during fiscal year 2024 \$72,663 (2023 - \$37,637) was repaid with no remaining balance outstanding (2023 - \$47,489).

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>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 5,539,261	\$ 6,056,582
Assets acquired through contributions	80,958	121,695
Amounts amortized to revenue, including assets disposed of aggregating \$nil (2023 - \$303,130)	<u>(326,565)</u>	<u>(639,016)</u>
Balance, end of year	<u>\$ 5,293,654</u>	<u>\$ 5,539,261</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 (2023 - \$590,000) was internally restricted at the close of the fiscal year.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2024

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 \$61,304 (2023 - \$10,320) 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>2024</u>	<u>2023</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.

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. During the year the Society has received a new grant in relation to the Family Support for Children with Disabilities (FSCD). Employment Support Services related funding of \$382,443 (2023 - 307,926) has been included within 'Family resource centre' below. The following amounts are included in revenue on the statement of operations:

	<u>2024</u>	<u>2023</u>
McQueen Residence	\$ 868,335	\$ 810,433
Family resource centre	682,099	307,926
Employment grants	33,944	117,570
	<u>\$ 1,584,378</u>	<u>\$ 1,235,929</u>

Easter Seals Alberta Society
Notes to the Financial Statements

Year ended October 31, 2024

13. Related party transactions

During fiscal 2024 \$75,319 (2023 - \$71,938) 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 \$170,896 (2023 - \$130,506), which is included in fundraising campaigns and events revenue.

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 \$1,584,298 (2023 - \$1,148,623).

Expenses incurred for the purposes of soliciting contributions totaled \$290,644 (2023 - \$313,086).

Remuneration paid to employees whose principal duties involve fundraising aggregated \$193,075 (2023 - \$223,731).

Gross contributions received were utilized as follows:

	<u>2024</u>	<u>2023</u>
Fundraising campaigns and events	\$ 727,299	\$ 541,092
Camp Horizon	567,803	464,540
Family resource centre	283,672	116,529
McQueen Residence	5,525	328
General administration	-	26,134
	<u>\$ 1,584,299</u>	<u>\$ 1,148,623</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2024

15. Allocated personnel costs

The salaries of certain administrative staff are allocated as follows:

		2024		2023
General administration	24%	\$ 144,546	22%	\$ 89,493
Fundraising campaigns	32%	191,056	40%	165,519
Camp Horizon	6%	38,418	9%	36,297
Family resource centre	31%	187,440	13%	55,191
McQueen Residence	6%	34,848	8%	32,909
Public education	1%	8,889	8%	35,310
		<u>\$ 605,197</u>		<u>\$ 414,719</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 \$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 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.

2025	\$ 68,801
2026	54,381
2027	45,727
2028	29,061
2029	<u>26,639</u>
	<u>\$ 224,609</u>

17. Lease obligation

As part of the Society's acquisition of the net liabilities and operations of CLS (Note 3), the Society assumed the remaining lease obligation of CLS relating to office space, with the expiration date being April 30, 2026 and effective interest rate of 6.43%. The present value of future minimum lease payments as of October 31, 2024 are:

2025	\$ 43,604
2026	<u>14,058</u>
	<u>\$ 57,662</u>

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2024

18. 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, 2024. 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 individuals and organizations on a continuing basis and reviews the credit worthiness of all new individuals and organizations. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific individuals and organizations, 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 risk, interest rate risk and other price risk. The Society is mainly exposed to other price and interest rate risk.

(i) Interest rate risk

Interest rate risk refers to adverse consequences of interest rate changes on the Society's cash flows and financial position. Fixed rate financial instruments subject the Society to a fair value risk and floating rate financial instruments subject the Society to a cash flow risk. The Society is exposed to this risk through its credit facilities and investments.

(ii) Other price 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.

Easter Seals Alberta Society

Notes to the Financial Statements

Year ended October 31, 2024

18. Financial instruments (continued)

(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 as they come due.

19. Comparative figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

Easter Seals Alberta Society

Externally Restricted Contributions

As at October 31, 2024

	ESS North	Camp Horizon	Camp Redevelopment	McQueen Residence	ESS South	Casino	Scholarship Fund	Office Restricted	Education Support Program	2024	2023
Opening	\$ 6,289	\$ 29,561	\$ 534,903	\$ 5,048	\$ 95,869	\$ 166,228	\$ 290,491	\$ 9,684	\$ 14,000	\$1,152,073	\$ 1,078,592
Receipts	88,708	64,867	-	2,625	94,535	322,150	49,500	28,721	75,000	726,106	665,557
Disbursements	-21,188	-34,997	-32,124	-4,115	-72,449	-207,849	-76,100	-34,608	-14,000	-497,430	-592,076
Ending	<u>\$ 73,809</u>	<u>\$ 59,431</u>	<u>\$ 502,779</u>	<u>\$ 3,558</u>	<u>\$ 117,955</u>	<u>\$ 280,529</u>	<u>\$ 263,891</u>	<u>\$ 3,797</u>	<u>\$ 75,000</u>	\$ 1,380,749	\$ 1,152,073

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 Residence 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 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.