Easter Seals Nova Scotia
Consolidated Financial Statements
March 31, 2022

Independent Auditor's Report

MNP LLP

To the Directors of Easter Seals Nova Scotia:

Opinion

We have audited the consolidated financial statements of Easter Seals Nova Scotia and its subsidiary (together, the "Entity"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2022, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Consolidated Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Other Matter

The consolidated financial statements for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on June 2, 2021.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Entity’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 Entity’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 consolidated 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Dartmouth, Nova Scotia

MNP LLP

May 24, 2022

Chartered Professional Accountants

Easter Seals Nova Scotia
Consolidated Statement of Financial Position
As at March 31, 2022

	General Fund	*Reserve Fund*	***2022***	*2021*
Assets				
Current				
Cash *(Note 9), (Note 10)*	**353,980**	**872**	**354,852**	223,131
Accounts receivable	**572,443**	**-**	**572,443**	622,591
Inventory	**9,913**	**-**	**9,913**	8,600
Prepaid expenses	**54,368**	**-**	**54,368**	28,091
Restricted cash - Wheelchair Recycling Program *(Note 11)*	**509,395**	**-**	**509,395**	584,042
	1,500,099	**872**	**1,500,971**	1,466,455
Investments *(Note 3), (Note 5), (Note 10)*	**5,000**	**379,130**	**384,130**	272,330
Capital assets *(Note 4)*	**1,163,957**	**-**	**1,163,957**	1,240,820
	2,669,056	**380,002**	**3,049,058**	2,979,605
Liabilities				
Current				
Accounts payable and accruals *(Note 17)*	**504,347**	**-**	**504,347**	553,378
Current portion of deferred contributions *(Note 6)*	**94,401**	**-**	**94,401**	90,107
Current portion of capital lease obligations *(Note 7)*	**12,072**	**-**	**12,072**	11,234
Wheelchair Recycling Program *(Note 11)*	**509,395**	**-**	**509,395**	584,042
	1,120,215	**-**	**1,120,215**	1,238,761
Deferred contributions *(Note 6)*	**326,750**	**-**	**326,750**	353,153
Capital lease obligations *(Note 7)*	**902,680**	**-**	**902,680**	914,752
Loan payable *(Note 8)*	**40,000**	**-**	**40,000**	40,000
Camp Tidnish Fund *(Note 9)*	**495**	**-**	**495**	10,049
Elizabeth & Forest Fyfe Award Fund *(Note 10)*	**5,078**	**-**	**5,078**	5,021
	2,395,218	**-**	**2,395,218**	2,561,736
Commitments *(Note 14)*				
Impact of COVID-19 *(Note 1)*				
Net Assets				
Unrestricted - General Fund	**273,838**	**-**	**273,838**	149,187
Internally restricted - Reserve Fund	**-**	**380,002**	**380,002**	268,682
	273,838	**380,002**	**653,840**	417,869
	2,669,056	**380,002**	**3,049,058**	2,979,605

Approved on behalf of the Board of Directors

Director **Director**

The accompanying notes are an integral part of these consolidated financial statements

Easter Seals Nova Scotia
Consolidated Statement of Operations
For the year ended March 31, 2022

	General Fund	Reserve Fund	2022	2021
Revenue				
Special events	**212,386**	**-**	**212,386**	86,098
Campaigns	**291,937**	**-**	**291,937**	258,391
Planned Giving	**3,613**	**-**	**3,613**	7,904
Camp Tidnish	**3,162**	**-**	**3,162**	2,234
Active Living	**9,385**	**-**	**9,385**	1,770
New Leaf Enterprises *(Note 19)*	**1,098,590**	**-**	**1,098,590**	957,533
Development *(Note 19)*	**3,087**	**-**	**3,087**	-
Wheelchair Recycling Program *(Note 11)*	**1,910,827**	**-**	**1,910,827**	1,660,292
Assistive Devices	**7,781**	**-**	**7,781**	42,971
Other income *(Note 19)*	**89,240**	**-**	**89,240**	121,410
	3,630,008	**-**	**3,630,008**	3,138,603
Expenditures				
Administrative	**75,686**	**-**	**75,686**	96,488
Programs				
Assistive devices	**22,792**	**-**	**22,792**	54,660
Camp Tidnish	**98,495**	**-**	**98,495**	193,686
Wheelchair Recycling Program	**1,910,827**	**-**	**1,910,827**	1,660,292
Active Living	**55,097**	**-**	**55,097**	23,156
New Leaf Enterprises	**954,919**	**-**	**954,919**	800,255
Development	**118,315**	**-**	**118,315**	77,335
Fund-raising	**118,069**	**-**	**118,069**	40,351
Other Amortization	**51,157**	**-**	**51,157**	50,296
	3,405,357	**-**	**3,405,357**	2,996,519
Excess of revenue over expenditures before change in fair value of investments	**224,651**	**-**	**224,651**	142,084
Other items				
Net change in unrealized gain on investments	**-**	**11,320**	**11,320**	49,196
Excess of revenue over expenditures and change in fair value of investments	**224,651**	**11,320**	**235,971**	191,280

The accompanying notes are an integral part of these consolidated financial statements

Easter Seals Nova Scotia
Consolidated Statement of Changes in Net Assets
For the year ended March 31, 2022

	Unrestricted - General Fund	*Internally Restricted - Reserve Fund*	***2022***	*2021*
Net assets, beginning of year	**149,187**	**268,682**	**417,869**	226,589
Excess of revenue over expenditures and change in fair value of investments	**224,651**	**11,320**	**235,971**	191,280
Transfer to internally restricted reserve fund (Note 15)	**(100,000)**	**100,000**	**-**	-
Net assets, end of year	**273,838**	**380,002**	**653,840**	417,869

The accompanying notes are an integral part of these consolidated financial statements

Easter Seals Nova Scotia
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	*2021*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenditures and change in fair value of investments	**235,971**	191,280
Amortization of capital assets	**76,863**	75,298
Net change in unrealized gain on investments	**(11,320)**	(49,193)
	301,514	217,385
Changes in working capital accounts		
Accounts receivable	**50,148**	(118,594)
Inventory	**(1,313)**	7,187
Prepaid expenses	**(26,277)**	14,608
Accounts payable and accruals	**(49,031)**	441
Deferred contributions	**(22,108)**	(133,256)
	252,933	(12,229)
Financing		
Repayment of capital lease obligation	**(11,234)**	(9,727)
Advances of long-term debt	**-**	40,000
	(11,234)	30,273
Investing		
Increase in investments - net	**(100,482)**	(47,231)
Purchase of capital assets	**-**	(7,819)
(Decrease) increase in Camp Tidnish Fund	**(9,554)**	10,001
Increase (decrease) in Elizabeth & Forest Fyfe Award Fund	**58**	(139)
	(109,978)	(45,188)
Increase in cash resources	**131,721**	(27,144)
Cash resources, beginning of year	**223,131**	250,275
Cash resources, end of year	**354,852**	223,131

The accompanying notes are an integral part of these consolidated financial statements

1. Incorporation and nature of the organization

Easter Seals Nova Scotia (the “Entity”) (formely known as Abilities Foundation of Nova Scotia) is a not-for-profit body incorporated under the Societies Act of Nova Scotia and is exempt from income tax under section 149 (1)(l) of the Income Tax Act. Easter Seals mandate is to advocate for a barrier-free Nova Scotia and provide top-quality programs promoting inclusion, independence and mobility for Nova Scotians with disabilities.

Impact of COVID-19

In early March 2020, the impact of the global outbreak of COVID-19 began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and quarantine orders.

In response to the negative economic impact, the Government of Canada announced the introduction of the Canada Emergency Wage Subsidy (CEWS) in March 2020 and the Canada Emergency Rent Subsidy (CERS) in September 2020. CEWS is a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. CERS is a rent subsidy for businesses that demonstrated a revenue loss for the claim periods with potential for an additional top-up for businesses that were temporarily shut down due to mandatory public health orders. The Entity determined that it qualified for both subsidies in the current and prior year and therefore the impact of COVID-19 in these years has been partially offset by these government subsidies.

During the year, the Entity recognized $164,648 (2021 - $226,118) in wage subsidies and have recorded the government assistance as a reduction of salary and payroll expenses in the Statement of Operations for the General Fund (Note 12). The Entity also recognized $76,117 (2021 - $40,998) in rent subsidies and has recorded the government assistance as a reduction of administrative expenses in the Statement of Operations for the General Fund.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Entity as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, this outbreak may cause supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Entity's business and financial condition.

The Entity will continue to review all programs offered by the Government and ensure it applies for all appropriate support.

2. Significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards and include the following significant accounting policies:

Fund accounting

The Entity follows the deferral method of accounting for contributions and reports using fund accounting, and maintains two funds: the General Fund and the Reserve Fund.

The General Fund reports the Entity’s operations related to program delivery and administrative activities.

The Reserve Fund reports the Entity's financial reserves established by the Board of Directors of Easter Seals to assist in the long-term funding and stability of the organization and its programs. Income earned from the reserves are to be reinvested to help grow the Reserve Fund of Easter Seals. Approval of the Board of Directors shall be required to authorize any use of the reserve principal portion, after considering the recommendation of the Executive Committee.

Cash and cash equivalents

Cash and cash equivalents include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash is comprised of balances with banks and short-term deposits readily convertible to a known amount of cash, which is subject to an insignificant risk of changes in value.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value. They consist of common shares and mutual funds which are all traded in the public markets. Changes in fair value are recorded immediately in the excess of revenues over expenditures.

Revenue recognition

The Entity follows the deferral method of accounting for contributions, which includes government grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to capital assets are amortized to income on the same basis as the amortization of the assets to which they relate.

Revenue related to the sale of goods and services is recognized as earned when the transfer of ownership occurs or the services are provided and collection is reasonably assured.

Investment income is recognized as revenue when earned and includes dividend and interest income.

Consolidation

The consolidated financial statements include the accounts of Easter Seals Nova Scotia and its wholly owned subsidiary, New Leaf Enterprises.

Intercompany transactions and balances have been eliminated from the consolidated accounts.

Contributed materials and services

Contributions of services by corporate contributors are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Entity's operations and would otherwise have been purchased.

Due to the difficulty in determining the fair value of volunteer services, these contributed services are not recorded in the consolidated financial statements.

Capital assets

Purchased capital assets are recorded at cost, and property and equipment acquired by capital lease are recorded based on the present value of the minimum lease payments. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives, at the following rates:

Building	10 to 25 years
Equipment and vehicles	5 years
Computers	3 years
Furniture	10 years

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Entity writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Entity’s ability to provide goods and services. The asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Entity determines that a long-lived asset is impaired, its carrying amount is written down to the asset’s fair value.

Government assistance

Government assistance is recorded as a reduction of either the related expense or deferred and amortized into income on the same basis as the related property and equipment are amortized.

Government assistance is recorded to the extent there is reasonable assurance that the Entity has complied with, and will continue to comply with, all associated conditions. A liability to repay any amounts of previously received government assistance is accrued in the period in which conditions arise that will cause government assistance to be repayable.

Measurement uncertainty (use of estimates)

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets is based on the estimated useful lives of capital assets. Accrued liabilities are based on actual invoices or may be estimated based on management's knowledge.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenditures in the period in which they become known.

Allocation of expenses

Easter Seals engages in several programs. The cost of each program includes the cost of personnel, premises and other expenses that are directly related to providing the programs. Easter Seals also incurs a number of general support expenses common to administration of Easter Seals and each of its programs. Easter Seals allocates certain of its general support expenses by identifying the appropriate basis of allocating each expense and applies that basis consistently each year.

Financial instruments

The Entity recognizes financial instruments when the Entity becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Entity may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Entity has made such an election during the year.

The Entity subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenditures and change in fair value of investments. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Entity initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction (“related party financial instruments”) at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Entity may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Entity has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Entity subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenditures and change in fair value of investments.

Financial asset impairment

The Entity assesses impairment of all its financial assets measured at cost or amortized cost. The Entity groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Entity determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Entity reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Entity reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Entity reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenditures and change in fair value of investments.

The Entity reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenditures and change in fair value of investments in the year the reversal occurs.

Interfund transactions

The Board of Directors of Easter Seals has established financial reserves to assist in the long-term funding and stability of the organization and its programs. Income earned from reserves shall be reinvested to help grow the Reserve Fund of Easter Seals. Approval of the Board of Directors shall be required to authorize any use of the reserve principal portion, after considering the recommendation of the Executive Committee.

Investment income earned on Reserve Fund investments is reinvested to the Reserve Fund. Reserve Fund assets as at March 31, 2022 include cash of $872 (2021 - $1,352) and investments of $379,130 (2021 - $267,330).

3. Investments

	2022	*2021*
Fixed income securities		
General Fund	**5,000**	5,000
Reserve Fund	**379,130**	267,330
	384,130	272,330

Investments consist of equities and mutual funds with a book value of $353,789 (2021 - $249,690).

4. Capital assets

	Cost	***Accumulated amortization***	***2022 Net book value***	*2021 Net book value*
Building	**1,351,468**	**222,856**	**1,128,612**	1,191,474
Equipment	**51,214**	**37,616**	**13,598**	20,345
Vehicles	**39,371**	**33,529**	**5,842**	10,516
Computer equipment	**8,259**	**8,259**	**-**	-
Furniture and fixtures	**25,795**	**9,890**	**15,905**	18,485
	1,476,107	**312,150**	**1,163,957**	1,240,820

Building is comprised of assets under capital lease with a cost of $851,468 and accumulated amortization of $122,045 (2021 - $87,986) as well as leasehold improvements for which inducements were received with a cost of $500,000 and accumulated amortization of $100,811 (2021 - $72,008).

5. Bank indebtedness

The Entity has provided $175,000 (2020 - $175,000) of the investments and cash of the Entity's Internally Restricted Reserve Fund as collateral to secure a line of credit, which has an authorized credit limit of $225,000 (2020 - $225,000), bearing interest at bank prime plus 1%. No amount was drawn on the line of credit at March 31, 2022.

6. Deferred contributions

The Entity follows the deferral method of revenue recognition. Deferred revenue reported in the General Fund represents restricted capital and operating funding received in the current period that is related to subsequent periods. Changes in the deferred contribution balance are as follows:

	Capital grants	***Operating grants***	***2022***	***2021***
Balance, beginning of year	**353,153**	**90,107**	**443,260**	576,517
Amount received during the year	**-**	**936,167**	**936,167**	822,545
Less: Amount recognized as revenue during the year	**(26,403)**	**(931,873)**	**(958,276)**	(955,802)
	326,750	**94,401**	**421,151**	443,260
Less: current portion	**-**	**94,401**	**94,401**	90,107
Balance, end of year	**326,750**	**-**	**326,750**	353,153

7. Capital lease obligations

Easter Seals entered into an agreement effective May 3, 2018, to lease a property for a 25-year term for $8 per square foot with an increase of $1 per square foot on May 3, 2028, and an additional $1 per square foot on May 3, 2038. The lease was identified to have a capital lease portion, which represents rent for building. A discount rate of 7.22% was applied to calculate the net present value of the agreement. The portion of the lease related to the land has been treated as an operating lease and the related commitments are disclosed in note 15. The amount initially recorded as a capital lease and the related asset recorded are non-cash transactions and have been excluded from the statement of cash flows.

	2022	*2021*
Capital lease obligation	**914,752**	925,986
Less: Current portion	**12,072**	11,234
	902,680	914,752

8. Long-term debt

	2022	*2021*
Canada Emergency Business Account (CEBA) loan of $60,000 has been approved by the Government of Canada and was made available in the form of cash available to use in general funds. In accordance with the terms of the agreement, an amount of $20,000 or 33% of the loan will be forgiven if 67% of the loan is settled in full by December 31, 2023. The loan is non-interest bearing until December 31, 2023. After December 31, 2023, any outstanding balance will be convereted into a three year term loan which will bear interest at a rate of 5% until its maturity date of December 31, 2025. As of March 31, 2021 Easter Seals intended to repay the loan by December 31, 2022, as such $20,000 was recognized as other income at that time. As of March 31, 2022, Easter Seals intends to repay the unforgivable portion by December 31, 2023.	**40,000**	40,000

9. Camp Tidnish Fund

Easter Seals and the Amherst Rotary Club signed an agreement on January 12, 2015, whereby each party agreed to make an annual contribution of $5,000 to a Capital Fund. The funds are to be used for the annual costs of major maintenance and capital expenditures of Camp Tidnish. The continuity of the fund is as follows:

	2022	*2021*
Balance, beginning of year	**10,049**	48
Contributions	**10,000**	10,000
Expenditures	**(19,555)**	-
Interest income	**1**	1
Balance, end of year	**495**	10,049

As a result, $495 (2021 - $10,049) of cash in the General Fund is restricted from general use by Easter Seals.

10. Elizabeth & Forest Fyfe Award Fund

During the 1999 fiscal year, Easter Seals received $5,000 to establish the Elizabeth & Forest Fyfe Award Fund. The initial funding was invested with the annual earnings used to provide an annual award, which recognizes the outstanding achievement or potential achievement of a student in Nova Scotia functioning with a physical disability. Award value given during the fiscal year ended March 31, 2022 was $nil (2021 - $250).

	2022	*2021*
Elizabeth & Forest Fyfe Award Fund	**5,078**	5,021

$78 (2021 - $21) of cash and $5,000 (2021 - $5,000) of portfolio investments in the General Fund are restricted from general use by Easter Seals.

11. Wheelchair Recycling Program

The Nova Scotia Wheelchair Program (the Program), funded by the Department of Community Services and administered by Easter Seals, was initiated after demonstration projects were carried out over five years. The Nova Scotia government approved in 2010 the Program funding on a permanent basis and confirmed Easter Seals as the Program administrator. The Program provides wheelchair purchase cost funding for uninsured Nova Scotia residents living with a disability who are under the age of 65 years. They must hold a valid Nova Scotia Health Insurance Card, be referred to the Program by a Health Care Professional and have family income that is within the Program guidelines.

The General Fund includes $489,267 (2021 - $555,359) of accounts receivable related to expenditures incurred for the Wheelchair program and $330,808 (2021 - $407,947) in accounts payable and accrued liabilities related to expenditures not yet paid. The funding included in restricted cash of $509,395 (2021 - $584,042) will be used to pay the accounts payable.

	2022	*2021*
Beginning	**584,042**	487,627
Deposits	**1,875,000**	1,675,000
Interest earned	**2,272**	4,333
Withdrawals	**(1,951,919)**	(1,582,918)
	509,395	584,042

12. Salary and payroll expenses

Salary and payroll expenses of $1,010,789 (2021 - $869,289) have been allocated as follows:

	2022	*2021*
Administration	**20,862**	28,271
Assistive Devices	**9,526**	11,708
Camp Tidnish	**76,885**	68,950
Development	**52,468**	22,364
New Leaf Enterprises	**602,804**	532,427
Active Living	**38,054**	15,575
Wheelchair Recycling Program	**210,190**	189,994
	1,010,789	869,289

In the current year, Easter Seals applied for Canada Emergency Wage Subsidy of $164,648 (2021 - $226,118) which is shown as a reduction from respective salary and payroll expenses above.

13. Compensation disclosure required pursuant to the Public Sector Compensation Disclosure Act

Section 3 of the Public Sector Compensation Disclosure Act of the Province of Nova Scotia requires public sector bodies to publicly disclose the amount of compensation it pays or provides, directly or indirectly, to any person in the fiscal year if the compensation to that person is one hundred thousand dollars or more including compensation paid to, or for the benefit of, each of its board members, officers, employees, contractors and consultants.

Section 4 of the Act requires that the information reported be disclosed in the body of the audited financial statements of the entity or in a statement prepared for the purposes of the Act and certified by its auditors. Easter Seals Nova Scotia has chosen to disclose this required information as part of its audited consolidated financial statements.

For the year ended March 31, 2022, Joanne Bernard received compensation of $106,596 (2021 - $106,457) which includes salary and the employer portion of benefits.

14. Commitments

Lease of premises

The minimum annual lease payments for the premises occupied by Easter Seals are $98,560 per year, or $8 per square foot, plus 5% management fee and common area charges. The rent payments are divided into an operating lease for the land with monthly payments of $2,354, including HST and a capital lease for the building with monthly payments of $6,475, including HST. Rent will increase $1 per square foot on May 3, 2028 and an additional $1 per square foot on May 3, 2038.

Lease of office equipment

The Entity has entered into various lease agreements with estimated minimum annual payments for the next five years as follows:

2023	5,350
2024	5,350
2025	5,350
2026	5,350
2027	2,607

15. Interfund transfer

During the year, the Board of Directors approved a transfer of $100,000 (2021 - $nil) from the General fund to the Internally Restricted Reserve Fund.

16. Capital management

Easter Seals Nova Scotia defines capital as its net assets. Currently, the Entity has no defined targets for net assets and operates under the culture of a balanced budget, with goals of modest surplus to build capital.

17. Government remittances

Government remittances consist of amounts (such as sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, $56,674 (2021 - $37,736) is included within accounts payable and accrued liabilities.

18. Financial instruments

The entity, as part of its operations, carries a number of financial instruments. It is management's opinion that the Entity is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments unless otherwise noted.

Senior management of the Entity are responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

Credit risk

Credit risk is the risk that one party to a financial institution will cause a financial loss for the other party by failing to discharge an obligation.

The Entity's main credit risk relates to its investments and accounts receivable. The Entity is exposed to concentration risk on its investments held with a financial institution. To minimize this risk, the Entity holds its investments with a high quality Canadian institution. The Entity provides credit to customers in the normal course of operations. Management believes the entity is not exposed to significant credit risk from any one customer and historically no provision for impairment of receivables has been recorded.

Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting obligations associated with financial liabilities. The Entity's exposure to liquidity risk is mainly in respect of its accounts payable and accrued liabilities and loan payable. Sufficient financing facilities are in place as disclosed in note 5 should cash requirements exceed cash generated from operations.

19. Government assistance

In addition to government assistance previously disclosed in Notes 1, 8 and 11, the Entity also applied and received another government grant for it's subsidiary from the Department of Community Services in the amount of $625,626 (2021 - $617,508) and other government grants for programming, rental assistance and summer student wages totalling $331,323 (2021 - $274,176). These grants have all been recognized in the General Fund.