Easter Seals Nova Scotia
Consolidated Financial Statements
March 31, 2023

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Independent Auditor's Report

To the Directors of Easter Seals Nova Scotia:

Qualified 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, 2023, 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2023, 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 Qualified Opinion

As is common with many charitable organizations, the organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenues over expenses and cash flows from operations. Therefore, we are not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2023, current assets as at March 31, 2023 and net assets as at March 31, 2023.

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 those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial 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 qualified opinion.

Other Information

Management is responsible for the other information. The other information is comprised of the Annual Report. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

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.

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 23, 2023

Chartered Professional Accountants

Easter Seals Nova Scotia
Consolidated Statement of Financial Position
As at March 31, 2023

	General Fund	*Reserve Fund*	*2023*	*2022*
Assets				
Current				
Cash *(Note 9), (Note 10)*	**914,944**	**1,572**	**916,516**	354,852
Accounts receivable *(Note 11)*	**1,094,332**	**-**	**1,094,332**	572,443
Inventory	**11,882**	**-**	**11,882**	9,913
Prepaid expenses	**47,614**	**-**	**47,614**	54,368
Restricted cash and investments - Wheelchair Recycling Program *(Note 11)*	**969,157**	**-**	**969,157**	509,395
	3,037,929	**1,572**	**3,039,501**	1,500,971
Investments *(Note 3), (Note 5), (Note 10)*	**5,000**	**368,507**	**373,507**	384,130
Capital assets *(Note 4)*	**1,087,094**	**-**	**1,087,094**	1,163,957
	4,130,023	**370,079**	**4,500,102**	3,049,058
Liabilities				
Current				
Accounts payable and accruals *(Note 17) (Note 11)*	**915,488**	**-**	**915,488**	504,347
Current portion of deferred contributions *(Note 6)*	**544,101**	**-**	**544,101**	94,401
Current portion of capital lease obligations *(Note 7)*	**12,974**	**-**	**12,974**	12,072
Wheelchair Recycling Program *(Note 11)*	**969,157**	**-**	**969,157**	509,395
	2,441,720	**-**	**2,441,720**	1,120,215
Deferred contributions *(Note 6)*	**507,960**	**-**	**507,960**	326,750
Capital lease obligations *(Note 7)*	**889,706**	**-**	**889,706**	902,680
Loan payable *(Note 8)*	**-**	**-**	**-**	40,000
Camp Tidnish Fund *(Note 9)*	**5,102**	**-**	**5,102**	495
Elizabeth & Forest Fyfe Award Fund *(Note 10)*	**5,111**	**-**	**5,111**	5,078
	3,849,599	**-**	**3,849,599**	2,395,218
Commitments *(Note 14)*				
Net Assets				
Unrestricted - General Fund	**280,424**	**-**	**280,424**	273,838
Internally restricted - Reserve Fund	**-**	**370,079**	**370,079**	380,002
	280,424	**370,079**	**650,503**	653,840
	4,130,023	**370,079**	**4,500,102**	3,049,058

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, 2023

	General Fund	*Reserve Fund*	*2023*	*2022*
Revenue				
Special events	**126,796**	-	**126,796**	212,386
Campaigns	**424,291**	-	**424,291**	291,937
Planned Giving	**11,622**	-	**11,622**	3,613
Camp Tidnish	**217,210**	-	**217,210**	3,162
Active Living	**16,489**	-	**16,489**	9,385
New Leaf Enterprises *(Note 19)*	**1,313,005**	-	**1,313,005**	1,098,590
Development *(Note 19)*	**4,223**	-	**4,223**	3,087
Wheelchair Recycling Program *(Note 11)*	**2,851,288**	-	**2,851,288**	1,910,827
Assistive Devices	**6,225**	-	**6,225**	7,781
Other income *(Note 19)*	**89,826**	-	**89,826**	89,240
	5,060,975	-	**5,060,975**	3,630,008
Expenditures				
Administrative	**121,738**	-	**121,738**	75,686
Programs				
Assistive devices	**24,783**	-	**24,783**	22,792
Camp Tidnish	**259,246**	-	**259,246**	98,495
Wheelchair Recycling Program	**2,851,288**	-	**2,851,288**	1,910,827
Active Living	**71,903**	-	**71,903**	55,097
New Leaf Enterprises	**1,270,948**	-	**1,270,948**	954,919
Development	**285,885**	-	**285,885**	118,315
Fund-raising	**117,441**	-	**117,441**	118,069
Other Amortization	**51,157**	-	**51,157**	51,157
	5,054,389	-	**5,054,389**	3,405,357
Excess of revenue over expenditures before change in fair value of investments	**6,586**	-	**6,586**	224,651
Other items				
Unrealized (loss) gain on investments	-	**(9,923)**	**(9,923)**	11,320
Excess (Deficiency) of revenue over expenditures and change in fair value of investments	**6,586**	**(9,923)**	**(3,337)**	235,971

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, 2023

	Unrestricted - General Fund	*Internally Restricted - Reserve Fund*	***2023***	*2022*
Net assets, beginning of year	**273,838**	**380,002**	**653,840**	417,869
Excess of revenue over expenditures and change in fair value of investments	**6,586**	**(9,923)**	**(3,337)**	235,971
Net assets, end of year	**280,424**	**370,079**	**650,503**	653,840

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

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess (Deficiency) of revenue over expenditures and change in fair value of investments	**(3,337)**	235,971
Amortization of capital assets	**76,863**	76,863
Unrealized loss (gain) on investments	**9,923**	(11,320)
	83,449	301,514
Changes in working capital accounts		
Accounts receivable	**(521,889)**	50,148
Inventory	**(1,973)**	(1,312)
Prepaid expenses	**6,754**	(26,277)
Accounts payable and accruals	**411,143**	(49,031)
Deferred contributions	**630,909**	(22,108)
	608,393	252,934
Financing		
Repayment of capital lease obligation	**(12,072)**	(11,234)
Repayment of long-term debt	**(40,000)**	-
	(52,072)	(11,234)
Investing		
Net change in investments	**704**	(100,483)
Increase (decrease) in Camp Tidnish Fund	**4,607**	(9,554)
Increase in Elizabeth & Forest Fyfe Award Fund	**32**	58
	5,343	(109,979)
Increase in cash resources	**561,664**	131,721
Cash resources, beginning of year	**354,852**	223,131
Cash resources, end of year	**916,516**	354,852

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”) (formerly 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)(I) 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.

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 Baord and include the following significant accounting policies:

Fund accounting

The Entity follows the deferral method of accounting for contributions and reports using fund accounting, maintaining 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 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.

Fixed-income investments

Fixed-income investments are recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. They consist of Guaranteed Investment Certificates and Treasury Bills and have been classified as long-term assets in concurrence with the nature of the investment.

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, which is a not-for-profit body incorporated under the Societies Act of Nova Scotia and is exempt from income tax under section 149 (1)(I) of the Income Tax Act. New Leaf Enterprises is a social enterprise that provides an opportunity for Nova Scotians with disabilities to participate in skills development and workplace training.

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 programs 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 related to programming is deferred and recognized as revenue once the related program expense is incurred.

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 (deficiency) 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 (deficiency) 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.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) 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 (deficiency) 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, 2023 include cash of $1,572 (2022 - $872) and investments of $368,507 (2022 - $379,130).

3. Investments

	2023	*2022*
Fixed income securities		
General Fund	**5,000**	5,000
Reserve Fund	**368,507**	379,130
	373,507	384,130

Investments consist of equities and mutual funds with a book value of $357,252 (2022 - $353,789).

4. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Building	**1,351,468**	**285,718**	**1,065,750**	1,128,612
Equipment	**51,214**	**44,363**	**6,851**	13,598
Vehicles	**39,371**	**38,203**	**1,168**	5,842
Computer equipment	**8,259**	**8,259**	**-**	-
Furniture and fixtures	**25,795**	**12,470**	**13,325**	15,905
	1,476,107	**389,013**	**1,087,094**	1,163,957

Building is comprised of assets under capital lease with a cost of $851,468 and accumulated amortization of $156,104 (2022 - $122,045) as well as leasehold improvements for which inducements were received with a cost of $500,000 and accumulated amortization of $129,614 (2022 - $100,811).

5. Bank indebtedness

The Entity has provided $175,000 (2022 - $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 (2022 - $225,000), bearing interest at bank prime plus 1%. No amount was drawn on the line of credit at March 31, 2023.

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	2023	2022
Balance, beginning of year	**365,566**	**55,585**	**421,151**	443,260
Amount received during the year	**-**	**1,524,328**	**1,524,328**	936,167
Less: Amount recognized as revenue during the year	**(28,803)**	**(864,615)**	**(893,418)**	(958,276)
	336,763	**715,298**	**1,052,061**	421,151
Less: current portion	**28,803**	**515,298**	**544,101**	94,401
Balance, end of year	**307,960**	**200,000**	**507,960**	326,750

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.

	2023	2022
Capital lease obligation	**902,680**	914,752
Less: Current portion	**12,974**	12,072
	889,706	902,680

8. Long-term debt

	2023	*2022*
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 repaid by December 31, 2023. During the year, the loan was repaid in full with the forgivable portion of $20,000 recognized as other income in the prior year.	**-**	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:

	2023	*2022*
Balance, beginning of year	**495**	10,049
Contributions	**15,000**	10,000
Expenditures	**(10,425)**	(19,555)
Interest income	**32**	1
Balance, end of year	**5,102**	495

As a result, $5,102 (2022 - $495) 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, 2023 was $nil (2022 - $nil).

	2023	*2022*
Elizabeth & Forest Fyfe Award Fund	**5,111**	5,078

$111 (2022 - $78) of cash and $5,000 (2022 - $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 $1,026,381 (2022 - $489,267) of accounts receivable related to expenditures incurred for the Wheelchair program and $828,436 (2022 - $330,808) in accounts payable and accrued liabilities related to expenditures not yet paid. The funding included in restricted cash and investments of $969,157 (2022 - $509,395) will be used to pay the accounts payable.

	2023	2022
Beginning	**509,395**	584,042
Contributions from government	**2,750,000**	1,875,000
Interest earned	**23,937**	2,272
Withdrawals recognized as revenue	**(2,851,288)**	(1,910,827)
Changes in wheelchair receivables	**537,113**	(41,092)
	969,157	509,395

12. Salary and payroll expenses

Salary and payroll expenses of $1,698,639 (2022 - $1,148,193) have been allocated as follows:

	2023	2022
Administration	**19,285**	22,369
Assistive Devices	**11,189**	10,594
Camp Tidnish	**187,648**	82,402
Development	**231,888**	68,601
New Leaf Enterprises	**881,529**	690,809
Active Living	**41,705**	39,733
Wheelchair Recycling Program	**325,395**	233,685
	1,698,639	1,148,193

In the current year, Easter Seals applied for Government Wage Subsidy of $12,781 (2022 - $164,648) 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, 2023, Joanne Bernard received compensation of $134,203 (2022 - $106,596) and Rose Cole received compensation of $105,442 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.

During the year, the Entity entered into a month-to-month lease to operate a satelite office in Yarmouth, Nova Scotia for $650 per month.

Lease of office equipment

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

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 $nil (2022 - $100,000) 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, $nil (2022 - $56,674) 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.

Interest rate risk

A change in interest rates relating to financial instruments could decrease interest income and result in a loss from changes in the fair value of the financial instrument.

The Entity's exposure to interest rate risk is primarily with its government investment certificates, treasury bills, and mutual funds and is mitigated through diversification of investments.

Other price risk

Other price 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 foreign 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 Entity enters into transactions to purchase and sell common shares and mutual funds, for which the market price fluctuates.

The Entity's exposure to other price risk is mitigated by the diversification of investments held in active markets.

19. Government assistance

In addition to government assistance previously disclosed in Notes 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 $684,690 (2022 - $625,626) and other government grants for programming, rental assistance and summer student wages totalling $343,798 (2022 - $331,323). These grants have all been recognized in the General Fund.

20. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.