Easter Seals Canada

Financial Statements

For the Year Ended March 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Easter Seals Canada

Opinion

We have audited the financial statements of Easter Seals Canada (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of revenue and expenses, 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 Organization as at March 31, 2025, and its results of operations and its 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 Financial Statements* section of our report. We are independent of the Organization 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 Canadian accounting standards for not-for-profit organizations, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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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 Organization'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 Organization'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 Organization 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.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
June 23, 2025
Toronto, Ontario

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Easter Seals Canada
Statement of Financial Position
As at March 31, 2025

	2025	2024
Assets		
Current		
Cash	**$ 2,428,172**	$ 1,715,980
Accounts receivable	**3,226**	-
HST recoverable	**35,896**	38,514
Prepaid expenses	**19,864**	15,452
	2,487,158	1,769,946
Long-term investments (Note 2)	**2,316,521**	2,068,815
Property and equipment (Note 3)	**64,120**	5,327
	$ 4,867,799	$ 3,844,088
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 105,089**	$ 121,455
Deferred contributions (Note 5)	**575,344**	2,000
	680,433	123,455
Net assets		
Internally restricted for discretionary purposes	**468,478**	468,478
Internally restricted for stabilization reserve	**760,000**	640,000
Unrestricted net assets	**2,958,888**	2,612,155
	4,187,366	3,720,633
	$ 4,867,799	$ 3,844,088

Commitments (Note 8)

Approved by the Board

Signed by: Dale Briske 6CF243B3635944E...
Director

Signé par : Marc-Antoine Laporte 46ADB962D8DD4BC...
Director

Easter Seals Canada
Statement of Changes in Net Assets
Year Ended March 31, 2025

	March 31, 2025			
	Internally Restricted for:		Unrestricted	Total
	Discretionary Purposes	Stabilization Reserve		
Balance, beginning of year	**$ 468,478**	**$ 640,000**	**$ 2,612,155**	**$ 3,720,633**
Excess of revenue over expenses	**-**	**-**	**466,733**	**466,733**
Transfer to stabilization reserve	**-**	**120,000**	**(120,000)**	**-**
Balance, end of year	**$ 468,478**	**$ 760,000**	**$ 2,958,888**	**$ 4,187,366**

	March 31, 2024			
	Internally Restricted for:		Unrestricted	Total
	Discretionary Purposes	Stabilization Reserve		
Balance, beginning of year	$ 468,478	$ 640,000	$ 2,181,856	$ 3,290,334
Excess of revenue over expenses	-	-	430,299	430,299
Balance, end of year	$ 468,478	$ 640,000	$ 2,612,155	$ 3,720,633

Easter Seals Canada
Statement of Revenue and Expenses
Year Ended March 31, 2025

	2025	2024
Revenue		
NCC - National corporate campaign fundraising (Note 6)	**$ 2,271,515**	$ 2,116,799
Access 2 Entertainment card	**835,711**	738,084
Assessments	**414,024**	414,024
Investment income (Note 2)	**351,964**	287,189
Donations	**102,028**	114,455
Miscellaneous	**4,182**	4,090
	3,979,424	3,674,641
Expenses		
Corporate campaign disbursements to licensed member (Note 6)	**1,763,716**	1,579,198
General (schedule - page 12)	**905,383**	880,747
Easter Seals Fundraising Committee (Note 6)	**442,915**	430,484
Access 2 Entertainment card	**400,677**	353,913
	3,512,691	3,244,342
Excess of revenue over expenses	**$ 466,733**	$ 430,299

Easter Seals Canada
Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
Cash provided by (used in)		
Operations		
Excess of revenue over expenses	**$ 466,733**	$ 430,299
Items not affecting cash		
Amortization	**11,647**	3,464
Realized gain on disposal of long-term investments (Note 2)	**(130,847)**	(131,314)
Change in unrealized gain on long-term investments (Note 2)	**(77,238)**	(61,675)
	270,295	240,774
Net change in working capital excluding cash		
Accounts receivable	**(3,226)**	5,754
HST recoverable	**2,618**	(6,969)
Prepaid expenses	**(4,412)**	4,985
Accounts payable and accrued liabilities	**(16,366)**	(35,612)
Deferred contributions	**573,344**	(98,680)
Cash provided by operations	**822,253**	110,252
Investing		
Purchase of property and equipment	**(70,440)**	(3,886)
Purchase of long-term investments	**(1,274,375)**	(3,367,766)
Proceeds from sale of long-term investments	**1,234,754**	3,359,642
Cash used in investing activities	**(110,061)**	(12,010)
Increase in cash	**712,192**	98,242
Cash, beginning of year	**1,715,980**	1,617,738
Cash, end of year	**$ 2,428,172**	$ 1,715,980

PURPOSE OF ORGANIZATION

Easter Seals Canada (the "Organization") was incorporated without share capital as a non-profit organization under the provisions of the Canada Corporations Act and subsequently obtained a Certificate of Continuance under the Canada Not-for-profit Corporations Act. The Organization is a registered charity within the meaning of the Income Tax Act. Accordingly, it is exempt from income taxes.

The Organization is a principal national advocate and coordinator acting in partnership with its members and associates to enhance the quality of life of Canadians with disabilities.

These financial statements do not include the financial activities of the Organization's licensed members across Canada. The Organization has no direct control over their day-to-day operations, including their financial activities. For this reason, the Board of Directors has agreed that it would not be either appropriate or feasible to consolidate the licensed members operations in these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Organization.

Management Estimates

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions, which are non-reciprocal receipts from entities other than members and licensees of the Organization.

(a) Externally restricted contributions including special purpose grants and receipts from national corporate campaign fundraising are recognized as revenue in the year in which the related expenses are incurred/fundraising receipts are disbursed to licensed members. Accordingly, deferred contributions represent unspent resources from externally restricted contributions.

(b) Unrestricted contributions (i.e. contributions that have not been externally restricted) are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Bequests received by the Organization are processed promptly and held as a deferred contribution until final disposition is determined. The details of the bequest received are reported to licensed members quarterly and are canvassed to determine if they can establish an ongoing relationship with the donor of the bequest. The results are reported to the Executive and Board of Directors. Once the Board determines the disposition of the bequest it is brought into revenue and either disbursed to a provincial member(s) with the corresponding disbursement being recorded as an expense or retained by the Organization.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue Recognition (Cont'd)

Program funding in the form of cost sharing assessments received from members that relate to events that take place in a subsequent fiscal period are reported as deferred revenue, net of any program costs to date. Both the program funding and program expenses are recognized in the period that the event is held or the program is delivered.

Volunteer Services

The Organization benefits substantially from services in the form of volunteer time. These services are not recorded in these financial statements due to the difficulty in determining their fair value.

Property and Equipment

Property and equipment are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which are summarized below.

Computer hardware	3 years
Office furniture and equipment	5 years
Leasehold improvements	5 years

When conditions indicate a tangible capital or intangible asset is impaired, it will be written down to its fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed.

Net Assets

Internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Net assets internally restricted for discretionary purposes are amounts that have been set aside by resolution of the Board of Directors.

Net assets internally restricted for Easter Seals stabilization reserve is to ensure the long-term funding and stability of the Organization and its programs. The purpose of the stabilization reserve is to establish and maintain financial reserves at a minimum level equivalent to at least one year of on-going normalized annual operating expenses (the direct costs of the national office only) of the Organization.

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and fixed income securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the surplus of revenue over expenses.

Financial assets measured at amortized cost include cash and accounts receivable. The Organization's financial assets measured at fair value include long-term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of a write-down, if any, is recognized in the surplus of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of a reversal is recognized in the surplus of revenue over expenses.

Allocation of General Support Expenditures

Rent expense is allocated to the Easter Seals Fundraising Committee and Access 2 Entertainment Program based upon the percentage of office space used.

2. INVESTMENTS

(a) Long-term investments are managed by a professional investment manager, and are comprised of the following:

	2025	2024
Closing portfolio - at cost	**$ 2,041,395**	$ 1,870,927
Unrealized gain on long-term investments	**275,126**	197,888
Closing portfolio - at fair value	**$ 2,316,521**	$ 2,068,815

Long-term investments are comprised of fixed income holdings of $590,696 (2024 - $687,695), equity instruments in the amount of $1,725,825 (2024 - $1,318,218) and alternative investments in the amount of $NIL (2024 - $62,632). The Organization's investments denominated in Canadian listed instruments is $1,783,148 (2024 - $1,228,067) and $533,373 (2024 - $840,748) in foreign listed instruments.

(b) Investment income is comprised of the following:

	2025	2024
Interest and dividend income	**$ 143,879**	$ 94,200
Realized gain on disposal of long-term investments	**130,847**	131,314
Change in unrealized gain on long-term investments	**77,238**	61,675
	$ 351,964	$ 287,189

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2025	Net 2024
Computer hardware	**$ 31,057**	**$ 9,401**	**$ 21,656**	$ 5,327
Office furniture and equipment	**42,307**	**4,015**	**38,292**	-
Leasehold improvements	**4,694**	**522**	**4,172**	-
	$ 78,058	**$ 13,938**	**$ 64,120**	$ 5,327

4. BANK INDEBTEDNESS

The Organization has arranged a $100,000 unsecured operating line of credit, bearing interest at the bank's prime interest rate plus 1.50%. As at March 31, 2025, there was no outstanding balance against this line of credit.

5. DEFERRED CONTRIBUTIONS

(a) The changes in deferred contributions are as follows:

	2025	2024
Deferred contributions, beginning of year	**$ 20,000**	$ 100,680
Add cash received:		
National corporate campaign fundraising (see 5 (c))	**1,763,716**	1,597,198
Program funding received	**2,170,243**	1,041,143
Deduct amounts recognized in income:		
Corporate campaign disbursements to licensed members (Note 6)	**(1,763,716)**	(1,579,198)
Other disbursements to licensed members	**(1,596,899)**	(1,139,823)
Deferred contributions, end of year	**$ 593,344**	$ 20,000

(b) Components of the end of year balance are as follows:

	2025	2024
Program funding	**$ 575,344**	$ 2,000

5. DEFERRED CONTRIBUTIONS (Cont'd)

(c) National corporate campaign fundraising receipts from donors were as follows:

	2025	2024
We Care	**$ 750,000**	$ 1,000,000
Lululemon	**200,000**	130,000
RBC 21st Century Leadership	**150,000**	-
TD Secure Futures	**150,000**	-
ScotiaRISE	**150,000**	-
Other	**106,581**	231,072
Drop Zone	**68,409**	52,844
Century 21	**63,726**	65,347
CIBC AccessABILITY	**50,000**	50,000
Paper Egg	**25,000**	42,935
Sun Life	**25,000**	25,000
Northridge	**25,000**	-
	$ 1,763,716	$ 1,597,198

6. EASTER SEALS FUNDRAISING COMMITTEE

	2025	2024
Revenue		
Assessments to licensed members for administration	**$ 323,850**	$ 316,931
Special assessments (Drop Zone)	**174,770**	162,962
Donations	**9,179**	24,753
Special assessments (RBC 21st Century Leadership)	**-**	15,000
Special assessments (TD Secure Futures)	**-**	10,000
Special assessments (ScotiaRISE)	**-**	6,000
Special assessments (Paper Egg)	**-**	1,955
	507,799	537,601
Recognized corporate campaign fundraising (Note 5 (a))	**1,763,716**	1,597,198
	2,271,515	2,116,799
Expenses		
Salaries and benefits	**200,031**	161,521
Event production	**170,440**	199,127
Rent (Note 7)	**25,023**	22,422
Insurance	**20,575**	20,703
Office supplies, postage and delivery	**8,378**	7,472
Other	**7,402**	10,379
Program development	**5,541**	1,449
Committee	**2,583**	2,455
Telephone	**1,655**	2,187
Office equipment rental	**1,287**	814
Paper egg supplies	**-**	1,955
Total administration expenses	**442,915**	430,484
Corporate campaign disbursements to licensed members (Note 5 (a))	**1,763,716**	1,579,198
	2,206,631	2,009,682
Excess of revenue over expenses	**$ 64,884**	$ 125,117

7. ALLOCATION OF GENERAL SUPPORT EXPENDITURES

During the year, rent expense totalled $106,641 (2024 - $96,236), of which $25,023 (2024 - $22,422), which represents 23% (2024 - 23%), was allocated to the Easter Seals Fundraising Committee and $25,023 (2024 - $22,422), which represents 23% (2024 - 23%) was allocated to the Access 2 Entertainment Program.

8. COMMITMENTS

The Organization is committed to the following annual rental payments for premises, photocopying equipment, marketing, and consulting services:

2026	$	41,304
2027		43,556
2028		43,556
2029		45,808
2030		3,020
	$	**177,244**

9. FINANCIAL INSTRUMENTS

Credit Risk

The Organization is exposed to credit risk on its cash and accounts receivable. Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Organization monitors credit risk by assessing the credit worthiness of counterparties.

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they fall due. The Organization has financial liabilities outstanding including accounts payable and accrued liabilities. The Organization manages liquidity risk through the use of a stabilization reserve as noted in note 1. It is expected these financial liabilities will be paid in the next fiscal year.

Market Risk

Market risk is the risk that changes in market prices will affect the Organization's surplus of revenue over expenses or the value of financial instruments. The Organization is subject to market risks on its long-term investments. These risks are generally outside the control of the Organization. The objective of the Organization is to mitigate market risk exposures within acceptable limits, while maximizing returns.

The Organization's risk exposures remain unchanged from the prior year.

Easter Seals Canada
Schedule of General Expenses
Year Ended March 31, 2025

	2025	2024
Schedule 1		
Salaries and employee benefits	**$ 514,349**	$ 537,898
Professional fees	**80,737**	35,899
Rent (Note 7)	**56,594**	51,392
Board of Directors	**51,722**	70,609
CEO's meeting expenses	**47,062**	45,587
Branding and marketing	**43,221**	54,343
Other general	**30,533**	17,996
Investment counsel fees	**28,027**	24,778
Legal expense - trademarks	**13,635**	883
Telephone and internet	**13,435**	9,715
Camp committee	**9,183**	17,503
Office supplies, postage and delivery	**7,181**	4,092
Travel	**5,174**	5,801
Office equipment rental	**4,530**	4,251
	$ 905,383	$ 880,747