



Newfoundland
and Labrador

Easter Seals

NEWFOUNDLAND AND LABRADOR

Annual General Meeting 2019

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About Us

EASTER SEALS NEWFOUNDLAND AND LABRADOR



HISTORY

We are a charitable organization that has operated in this province since 1937. Since then we have tirelessly dedicated ourselves to engaging, inspiring and empowering persons with disabilities through life-changing programs and services.

Approximately 100,000 people of all ages in our province live with disabilities such as physical, sensory, cognitive or other disabilities which present barriers to full participation in society. It is our mission to tear down these barriers and build an inclusive Newfoundland and Labrador.

EASTER SEALS HOUSE

Easter Seals House is more than the sum of its parts. It is not just where we host our programs and services. Easter Seals House is our home. It is the smiles, the laughs, and the unbridled joy that floats through our halls. Easter Seals House is one of the few places where persons with disabilities can relax and just hang out with their friends.

“Our vision is for a world where all persons with disabilities live full, active, and healthy lives.”

Park Phase I - Playground

EASTER SEALS
NEWFOUNDLAND AND LABRADOR



Jeremy Cross Memorial Playground

On June 14, 2018 a long awaited dream became reality for us here at Easter Seals NL and for our incredible community of family and friends:

The Jeremy Cross Memorial Playground! This state-of-the-art, fully accessible and inclusive playground is Phase I of the Easter Seals NL Accessible Park Project.



“Everybody, no matter their ability, can come together on the playground to chat and play. This playground represents inclusion.”

Hayley Redmond ESNL Participant

Letter From The Chair



Denise Durfy Sheppard

Chair, Board of Directors



Since 1937, Easter Seals Newfoundland and Labrador has played a critical role in providing programs and services to people with disabilities in this province. 2019 saw Easter Seals NL continue to support over 20 programs/activities. These range from team sports such as wheelchair basketball, boccia and sledge hockey; and many individual activities including music and art therapy, swimming and the Let's Get Active program which helps to develop fundamental skills in our younger participants. As well, our Career Services programming helps participants

build workplace confidence so that they can reach their maximum potential.

In March, we continued our cherished tradition of launching Easter Seals month at Government House by awarding our outgoing Ambassador, Anna Santos, the Frasier Edison Easter Seals Ambassador Trust Scholarship and welcoming our new Ambassador, Cassandra McGrath.

In May, we launched our fourth annual cabin lottery with the luxury cabin located right in the heart of cabin country, Brigus Junction. This year's cabin was once again open for viewing so that the public could fully appreciate the custom designed grand prize. Our fundraising for Phase 2 of our Accessible and Inclusive Park Project, which will include an accessible pavilion event plaza and sensory gardens, continues with an anticipated opening in the summer of 2021.

July challenged us, as our Easter Seals House incurred major water damage due to a plumbing issue. Friends of Easter Seals and the Community reached out to support us during this difficult time by providing office space, a location for our summer day camps, so that our participants would be able to have a summer program and many other generous donations. Our staff at Easter Seals worked tirelessly to ensure that the summer experience for our participants was a memorable one.

Our overnight summer camps continue to provide an opportunity for people with disabilities to be away from their familiar setting of home and develop a new sense of independence, make new friendships, reacquaint with old friends and reach new levels of self-esteem.

In November, the Staff and Board of Directors of Easter Seals NL took some dedicated time to review and revise Easter Seals NL Strategic Plan for the next five years. Our new vision and mission statements reflect our enhanced inclusivity.

Breakfast with Santa and our sixth annual Celebrate the Season, with Shanneyganock bringing down the house as the 2019 performers, rounded off the end of a remarkably busy year. All of these and many other events and celebrations marked our calendar as we continued our mission to engage, inspire and maximize opportunities for people with disabilities of all ages, by providing meaningful programs and services.

On behalf of the Board of Directors, I want to sincerely thank our participants and families, volunteers, sponsors and staff for their dedication that help make Easter Seals House the home we are so very proud of and look forward to your continued support in 2020.

CEO Report



Mark Bradbury, CPA, FCMA

Chief Executive Officer



Dear Friends of Easter Seals Newfoundland and Labrador,

Despite the building shutdown for many months due to flooding, 2019 was still a very successful year for Easter Seals NL. Our Programs Team offered over 20 life-changing safe and quality programs to over 400 participants (74 new registrants) of all disabilities and all ages with over 1000 program registrations! Thank you to Megan, Dayna, and Phil for the unbelievable time, effort and love you give to the participants.

Our Career Services Team continues to be entrusted by Service Canada to coordinate and offer the Opportunities Fund and Horizons Program in our province. They have successfully supported a record high of 64 persons with disabilities to secure employment! Thank you to Paula, Rachel, Amy, Chantelle and Chris for the unbelievable time, effort and love you give to the participants. Our “I Can Too!” Program increased the delivery of our disability awareness to 98 presentations to 3,600 students in 24 schools and community groups throughout the entire province. An amazing achievement by Rachel and her volunteers, Claire McCarthy, Courtney Moores and Katie Greene.

Our Fund Development and Communications Team consisting of Samantha, Jayme, Alex and Ashley have done an amazing job of grant writing, communicating, organizing, planning and putting off over 16 fundraising raising initiatives (some held multiple times) as listed later in this report. The Celebrate the Season luncheon with Shanneganock and special guest Bud Davidge was a huge success. Our 2019 Easter Seals NL Luxury Cabin lottery sold out!

Our Building and Office Administration Support Team continue to handle so much in the background such as building maintenance, ensuring all inspections and filings are up-to-date, accounting & payroll, and that any remaining building space is rented. Thank you very much to Katie and Melandy for the dedication and effort you put into this.

We launched our **See Ability in Disability** Capital Park Campaign in 2016. We have been quietly raising money without seeing the justification to spend on a big campaign. We had our accessible and inclusive Playground Grand Opening in June of 2018! In 2020 we started Phase 2 for the Pavilion, Event Plaza, Sensory Gardens and Grass play area for everyone to enjoy with a Grand Opening scheduled for spring of 2021. This will now allow us to bring our programs to the outdoors with much more capacity and ease.

As the Treasurer’s Report indicates we are in good financial standing. We thank all those that support us with donations, grants, sponsorships, attending our events and purchasing of tickets on our Luxury Cabin Lottery. It has taken a valiant effort to get us to where we are financially this past 5 years. However, as the Annual Report shows we have been improving operationally as well as we strive towards our Strategic Mission “to engage, inspire and empower by providing life changing programs and services for persons with disabilities”.

CEO Report

As we move forward into 2020 and beyond, our continued focus will be to make our delivery of Programs and Operations increasingly more effective and efficient. This can only be accomplished as we continue to: Improve our communications both internally and externally; the creation of new partnerships and enhancement of existing ones such as we have with Easter Seals Canada, Service Canada, Royal Bank of Canada, Husky Energy, Trades NL, Jays Care Foundation, Fraser Edison, Iris Petten, Weatherford Canada Ltd., Canopy Growth, Century 21, Friends of We Care, Able Sail/NF Royal Yacht Club, Burry Heights Camp, Stella Circle, CNIB and the NL English School District, Luxury Cabin Lottery partners & sponsors, to name but a few.; upgrade our Policies and Procedures such as Programs Procedures & Risk Management, updating our By-Laws, Board Governance Manual and Staff Handbook.; the Building of a strong, skillful and dedicated Operations management team and staff through regular communications, guidance, performance feedback, and offering resources and time for professional development in their areas of responsibility; we were awarded a provincial grant to hold a strategic planning session and over a weekend in November of 2019, both the Board and staff met with a facilitator to create a new Strategic Plan for Easter Seals that will continuously evolve and be guided by a newly created Strategic Planning Committee. We have already started on a number of identified Initiatives and Key Performance Indicators in 2020.

I'd like to take this opportunity to especially thank those that give the most – their time. The 127 new and over 200 existing volunteers are amazing people who are constantly giving to our fundraising events, our building upkeep and our program delivery. We could not offer our programs and services without them. On behalf of our Board of Directors, Staff, Participants, Families, and the entire disability community, we thank you so much!

Thank you to all that have been a part of Easter Seals' success. A special thank you to our 2019 Easter Seals Ambassador Cassandra McGrath who was such a dedicated and amazing Ambassador for us all!

Mark Bradbury, CPA, FCMA

Chief Executive Officer



Treasurer's Report



Lorrie Efford

Treasurer



We are pleased to report that the Easter Seals organization (“Easter Seals”) is in a sound financial position. Cash is in a very healthy position year over year. It has decreased over the prior year mainly due to a Board decision to repay the Easter Seals house mortgage early. As per the Park Capital Campaign Plan, Easter Seals has invested \$600,000 in a guaranteed investment certificate as it continues to invest in the financial security of its future with the interest intended for Building and Park operations and maintenance. Easter Seals is also continuing to invest in capital projects to enable the organization to provide programs and ensure continued success for its participants in the future. It is important to note that accounts receivable have favourably

decreased year over year as efforts are placed on collection of amounts owing. Trade payables are fairly consistent year over year and are up-to-date. All assets and amortization have been properly recorded.

The 2019 excess of revenues over expenses was very strong at \$402,129. While revenues decreased year over year, expenditures decreased by a greater amount leading to a strong financial position. The major contributing factor causing the overall decrease in revenue and expenses was in relation to the timing of when final expenses were incurred and related revenue was recognized on the 2017 luxury cabin. Due to delays, all expenses relating to the 2017 luxury cabin were not incurred until 2018. As such, the 2018 revenue and expenses were higher than in 2019 as this situation did not reoccur.

Although we are subject to normal operating challenges that most charitable organizations are faced with, we are diligently planning and investing for the upcoming years, to ensure a financially prosperous and sound organization to house the programs and services we offer to persons with disabilities in Newfoundland and Labrador.



Ambassador's Letter



Cassandra McGrath

2019 Easter Seals Ambassador

“

My role as the 2019 Easter Seals Ambassador was fantastic. I had the opportunity to participate and promote so many different events for Easter Seals, including the Easter Egg Campaign, the Luxury Cabin Lottery, the Run, Walk, Stroll and Roll as well as Celebrate The Season. I also had the opportunity to promote Easter Seals through radio and television. I got to work with and thank so many wonderful people and different organizations that support Easter Seals and their many programs. It was truly amazing.

I would also like to thank all the staff and volunteers at Easter Seals who work tirelessly organizing and participating in the many programs and events throughout the year. You are all great.



Our Team

EASTER SEALS NEWFOUNDLAND AND LABRADOR

BOARD OF DIRECTORS

• Denise Durphy-Sheppard	Chair
• Michael Duffy	Vice Chair
• Lorrie Efford	Treasurer
• Roger Power	Past Chair
• Phil Ryan	General Member
• Mike Murphy	General Member
• Kelly Santos	General Member
• Katherine Costello	General Member
• Stephanie Mandville	General Member

STAFF

• Mark Bradbury	Chief Executive Officer
• Katie Janes	Office Manager
• Melandy Bearn	Office Assistant
• Samantha Parrell	Manager of Fund Development and Communications
• Jayme Buckingham	Fund Development Coordinator
• Ashley Martin-Hanlon	Communications Coordinator
• Alex Hennessey	Grant Writer
• Eileen Bartlett	Director of Programs
• Megan Fitzgerald	Programs Coordinator
• Dayna Penney	Programs Coordinator
• Phil Rendell	Programs Coordinator
• Paula Hayes	Director of Career & Educational Services
• Rachel Warren	Programs Assistant-Opportunities Fund
• Amy Palmer	Horizons Program Coordinator
• Chantelle McDonald	Horizons Program Coordinator/Horizons Program Assistant



Programs

EASTER SEALS NEWFOUNDLAND AND LABRADOR

Easter Seals NL offered programs and services for a diverse community of persons of all abilities and ages. Through a wide spectrum of programs, persons with disabilities participated from grass root developmental programs through to high performance. Family-focused events and activities were an integral component of developing a strong Easter Seals community.

Participants and their families, volunteers, summer counsellors and program leaders experienced many successful achievements in the many programs including:

Weekly Programs

- Sledge hockey
- Wheelchair Basketball
- Swimming
- Creative Expressions Music
- Expressive Arts
- Let's Get Active
- Boccia
- Climbing Wall
- Target Shooting
- Dansability

Family Events

- Halloween Party
- Breakfast with Santa
- Family Winter Carnival



Programs

EASTER SEALS NEWFOUNDLAND AND LABRADOR

→ Easter Seals Camps

- Camp Bumbleberry
- Family Camp
- Youth Camp at Bury Heights
- Adult Camp
- Summer Day Camp- 8 weeks, July and August
- Easter Week Camp

→ Social Events

- Valentine's Day
- St. Patrick's Day
- Jeremy's Cup
- Spring Dance
- Halloween
- Christmas Dinner and Dance

→ Easter Seals Programs

- Linda's Equipment Crossing
- Equipment Loans
- Volunteer Program
- Recruitment, orientation and specialized training
- Program delivery supports



Other Program Services

EASTER SEALS NEWFOUNDLAND AND LABRADOR



Highlights

- Full capacity registration in Let's Get Active, Swimming, Summer Day Camp, Wheelchair Basketball, Sledge Hockey.
- Expanded Wheelchair Basketball and Let's Get Active to 2 sessions to accommodate more participants.
- Easter Seals registered 74 new program participants and 127 new volunteers in 2019.
- Eileen Bartlett retired March 31, 2019. Megan Fitzgerald became Program Officer.
- The programs department welcomed Philip Rendell and Dayna Penney as new Program Coordinators.
- Easter Seals Youth Camp continued the partnership with Burry Heights and officially named the joint camp "Camp BumbleBurry"
- Due to the flood, Easter Seals Day Camp ran weeks 3-8 successfully from Macdonald Drive Junior High.
- Let's Get Active Program partnered with Jays Care to deliver Challenger baseball during the Let's Get Active program. The program's team received free training and tools on fundamentals of sport.

Fund Development

EASTER SEALS NEWFOUNDLAND AND LABRADOR

2019 was another successful year in the Fund Development Department. It was the fourth year of our Disability Golf Classic and our Luxury Cabin Lottery. The Dodge Dive Donate community has fundraised over \$50,000 to date for Easter Seals NL. Run, Walk, Stroll and Roll took place outside in Bowring Park for the second year in a row. It was a fun-filled day for Easter Seals participants and family members as we enjoyed a barbecue, music, face painting, games and more after the walk. We owe much of this success to the work of our many committed volunteers and staff members.

This year, Shanneyganock along with special guest Bud Davidge, performed during our gala luncheon “Celebrate the Season” along with our Creative Expressions Music program participants. We all had so much fun watching the show!

We would like to thank the many organizations, corporations, community partners, and hundreds of individuals who generously provided funding support in 2019.

Thanks to your generosity, Easter Seals NL was able to raise funds that enable us to deliver life-changing programs and services to persons with disabilities.

2019 FUNDRAISING INITIATIVES

- Luxury Cabin Lottery
- Direct Mail Campaign
- Paper Egg Campaign
- Dodge Dive Donate – ESNL Dodgeball Tournament and League
- Cork and Canvas
- Disability Classic – Golf Tournament at The Wilds
- Trivia Nights
- Run, Walk, Stroll and Roll
- Best Kind BBQ 50/50
- Celebrate the Season with Shanneyganock
- Iceberg Alley 50/50
- Sandbox Gaming Marathon
- Taste of India Lunches
- Friends of We Care Bowling
- St John’s Regatta Cash Spin Wheel
- Century 21 Send Kids to Camp

Career and Educational Services

EASTER SEALS NEWFOUNDLAND AND LABRADOR



Horizons Employability Skills through Work Experience

Twenty years, and still going strong! Funded by Employment and Social Development Canada and a new partnership in 2019 with Easter Seals Canada under RBC's 21st Century Skills and Leadership Program, we continue to coordinate our Horizons Program. In 2019, four of five intakes were completed. Multi-year funding commenced on January 16, 2017 and will end March 31, 2020. During this period, we have helped a total of fifty-two persons who were faced with barriers to employment. Participants took part in weekly skills training sessions that led them to become gainfully employed. We appreciate the following businesses who hired participants: A&W, Canada Car Care, Congregation of the Sisters of Mercy, Ches Penney Family YMCA, Coleman's, Dollarama, Dominion, Envy, Ferryland Food Centre, GForce Funderdome, Green Food Ltd., Habitat for Humanity, Heritage Square Community Living, Lawton's, Learnstar Educational Program, McDonald's, Merchant Tavern, Montana's, NL Canvas, Office Furniture Warehouse, PF Collins, Piatto, Piper's, Polkadot Play Cafe, Pride Pak NFLD Ltd., Rustler's Family Restaurant, Skipper Ben's Cafe, Sobeys, St. John's Farmers Market, Topsail Star Pet Centre, Walmart Canada, WFC Properties, and Ziggy Peelgoods. As well, we are grateful for many community partners who generously give of their time to provide career related sessions to participants, these include: Board of Trade, Choices for Youth, College of the North Atlantic, Canadian National Institute for the Blind (CNIB), Credit Counselling Services of NL, Skills Canada Newfoundland and Labrador, and Stella's Circle.



Abby Quigley receiving news she has been hired with Walmart Canada.

Career and Educational Services

EASTER SEALS NEWFOUNDLAND AND LABRADOR



'I Can Too!' Disability Awareness Program

In 2019, the 'I Can Too!' Disability Awareness Program continued to see growth throughout the province, spreading the 'I Can Too!' message of understanding, inclusion and kindness. 98 presentations were delivered to over 3600 students in St. John's, Mount Pearl, Paradise, Conception Bay South, Portugal Cove-St. Philip's, Pouch Cove, Logy Bay, Chapel Arm and Bay de Verde. With the assistance of Cre8iv Design & Print, characters developed by product designer Andre Boudreau and creative designer Charles Murphy were turned into a take home sticker. Enhancing our program with the addition of stickers allows students and parents to engage in a conversation at home about 'I Can Too!' and what students learned.



Volunteer Claire McCarthy and ESNL staff Rachel Warren presenting at Mary, Queen of Peace school.

Career and Educational Services

EASTER SEALS NEWFOUNDLAND AND LABRADOR



Opportunities Fund Community Coordinator

Currently in our sixth year, with multi-year funding from Employment and Social Development Canada, we continue to successfully operate as a provincial Community Coordinator for Opportunities Fund for Persons with Disabilities. On October, 1st, 2018 we received new funds which will continue until September 24th, 2021. During this period we will be able to support 85 participants in their search for employment. In 2019 we proudly placed 31 persons with disabilities in the workforce.

We are extremely grateful to the following businesses who hired an individual with a disability: A Plus Auto Centre, Black Rock Paving (St. Anthony), Bursery's Taxi, Coffee Matters, Canadian Tire (Carbonear), Canadian Tire Gas Bar (Marystown), Capital Collision Centre, Dunville North Atlantic, Eastern Edge Gallery (2), EM-K Investments (A&W), Evergreen Recycling, GForce Funderdome, Jasmine Jewelry (2 - Marystown), Mad Catter Cafe, Peerless Fish, Power Productions, Powell J. Holding Inc. (Enterprise Rental Car), Pride Pak, RCA Theatre (2), Rococo Rocketship Inc., Shag Rock Manor (Whiteway), St. Anthony Boys and Girls Club, St. Michael's Printshop, St. Vincent de Paul (Carbonear), The Admirals Galley & Keg (Marystown), The Network Cafe (2), Town of Fortune and Visual Artists of Newfoundland and Labrador.

We would also like to recognize our community partners who assist us in supporting people with disabilities to enter the workforce. These include: Canadian Council on Rehabilitation and Work, Community Sector Council, Corrections Canada, Empower, The Disability Resource Centre, John Howard Society, Mariner Resources Opportunities Network, Smallwood Crescent Community Centre (Marystown), Spinal Cord Injury (St. Anthony), The Community Centre Alliance, The Murphy Centre and Waypoints.



Courtney Martin, with employer Debbie Hanlon. Courtney started with Debbie Hanlon Real Estate as a Customer Care Agent in 2016 through Opportunities Fund and has been promoted to Chief Operating Officer.

Financial Reports

**EASTER SEALS
NEWFOUNDLAND AND LABRADOR**

**EASTER SEALS NEWFOUNDLAND AND LABRADOR INC.
Financial Statements
Year Ended December 31st, 2019**



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INDEPENDENT AUDITOR'S REPORT

To the Directors of Easter Seals, Newfoundland and Labrador Inc.

Qualified Opinion

I have audited the financial statements of Easter Seals, Newfoundland and Labrador Inc. (the Organization), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2019, current assets and net assets as at December 31, 2019. My audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

Independent Auditor's Report to the Directors of Easter Seals, Newfoundland and Labrador Inc.
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Clarenville, Newfoundland and Labrador
September 30, 2020

Chartered Professional Accountant
Richard K Power, FCPA, Professional Corporation

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Statement of Financial Position****December 31, 2019**

	2019	2018
ASSETS		
CURRENT		
Cash (Note 5)	\$ 534,327	\$ 807,215
Restricted cash (Note 15)	263,098	310,439
Short term investments (Note 6)	608,261	53,850
Accounts receivable (Note 7)	52,880	86,513
Prepaid expenses	28,679	33,242
	1,487,245	1,291,259
CAPITAL ASSETS (Note 8)	2,278,253	2,322,688
LONG TERM INVESTMENTS - Restricted (Note 9)	68,359	64,237
	\$ 3,833,857	\$ 3,678,184
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 11)	\$ 227,710	\$ 237,800
Current portion of long term debt (Note 13)	-	23,609
Wages payable	32,083	33,310
Employee deductions payable	1,651	975
Deferred revenue - Current (Note 12)	295,007	232,651
	556,451	528,345
LONG TERM DEBT (Note 13)	-	171,617
DEFERRED REVENUE - Long term (Note 12)	1,125,555	1,158,242
DEFERRED CONTRIBUTION - EASTER SEALS (Note 14)	1,638,190	1,706,448
	3,320,196	3,564,652
NET ASSETS		
General fund	(2,838,209)	(3,294,767)
Internally restricted funds (Notes 9, 15)	331,457	374,676
Investment in capital assets	3,020,413	3,033,623
	513,661	113,532
	\$ 3,833,857	\$ 3,678,184

ON BEHALF OF THE BOARD

_____ Board Chair

_____ Finance Committee Chair

The accompanying notes are an integral part of these financial statements

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Statement of Operations****Year Ended December 31, 2019**

	2019	2018
REVENUES		
Fund development and corporate affairs	\$ 1,843,375	\$ 2,258,233
Program fees and career services funding	560,582	581,711
Contributions	152,036	159,004
Government funding	288,043	134,294
Rental income	29,806	35,439
Other	30,881	14,496
	2,904,723	3,183,177
DIRECT EXPENSES		
Fund development and corporate affairs expenses (Note 16)	1,379,891	1,668,965
	1,524,832	1,514,212
CONTRIBUTION MARGIN		
	1,524,832	1,514,212
EXPENSES		
Amortization of property and equipment	118,520	116,683
Bad debts	2,465	-
Operating expenses (Note 17)	405,253	383,479
Program expenses (Note 18)	673,977	779,163
	1,200,215	1,279,325
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS		
	324,617	234,887
OTHER INCOME		
Interest income	9,254	1,008
Amortization of deferred capital contribution (Note 14)	68,258	71,102
	77,512	72,110
EXCESS OF REVENUES OVER EXPENSES		
	\$ 402,129	\$ 306,997

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Statement of Changes in Net Assets****Year Ended December 31, 2019**

	General Fund	Internally Restricted Funds - Note 15	Investment in Capital Assets	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ (3,294,767)	\$ 374,676	\$ 3,033,623	\$ 113,532	\$ (191,465)
Transfer of funds - scholarship	-	(2,000)	-	(2,000)	(2,000)
Adjustment to reserve	41,219	(41,219)	-	-	-
Excess of revenues over expenses	415,339	-	(13,210)	402,129	306,997
NET ASSETS - END OF YEAR	\$ (2,838,209)	\$ 331,457	\$ 3,020,413	\$ 513,661	\$ 113,532

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Statement of Cash Flow****Year Ended December 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 402,129	\$ 306,997
Items not affecting cash:		
Amortization of capital assets	118,520	116,683
Amortization of deferred capital contribution	(68,258)	(71,102)
	452,391	352,578
Changes in non-cash working capital:		
Accounts receivable	33,633	(25,632)
Accounts payable and accrued liabilities	(10,090)	(209,551)
Deferred revenue	62,356	(222,858)
Prepaid expenses	4,563	(7,784)
Wages payable	(1,227)	88
Employee deductions payable	676	(578)
	89,911	(466,315)
Cash flow from (used by) operating activities	542,302	(113,737)
INVESTING ACTIVITIES		
Purchase of capital assets	(74,085)	(115,803)
Decrease in long term Investments	(4,122)	3,867
Cash flow used by investing activities	(78,207)	(111,936)
FINANCING ACTIVITIES		
Deferred revenue	(32,687)	438,100
Transfer from capital reserve	(2,000)	(2,000)
Repayment of long term debt	(195,226)	(25,409)
Cash flow from (used by) financing activities	(229,913)	410,691
INCREASE IN CASH FLOW	234,182	185,018
Cash - beginning of year	1,171,504	986,486
CASH - END OF YEAR	\$ 1,405,686	\$ 1,171,504
CASH CONSISTS OF:		
Cash	\$ 534,327	\$ 807,215
Short term investments	608,261	53,850
Restricted cash	263,098	310,439
	\$ 1,405,686	\$ 1,171,504

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.

Notes to Financial Statements

Year Ended December 31, 2019

1. NATURE OF OPERATIONS

Easter Seals, Newfoundland and Labrador Inc. (the "Organization" or "Easter Seals") was incorporated on April 6, 1937 under the Newfoundland and Labrador Corporations Act as a non-profit organization without share capital. The Organization's main purpose is to provide programming for children with physical disabilities designed to maximize their abilities.

Easter Seals is a registered charity pursuant to the Income Tax Act (Canada) and is, therefore, exempt from income taxes under section 149 and may issue tax-deductible receipts to donors.

2. COVID 19 DISCLOSURE

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the organization or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the organization's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the organization's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the organization's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (GAAP).

Cash

Cash represents deposits or cash held with Canadian Chartered Banks.

Short-term investment

Short-term investments are investments in money market instruments with maturities longer than three months and less than twelve months.

Property and equipment

Property and equipment are stated at cost or deemed cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Land improvements	8%	declining balance method
Buildings	4%	declining balance method
Computer equipment	20%	declining balance method
Furniture, fixtures and equipment	10%	declining balance method

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Notes to Financial Statements****Year Ended December 31, 2019**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates such as amortization of capital assets and deferred capital contributions are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Impairment of Long Lived Assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Revenue recognition

Revenues are recognized when they are earned, specifically when all of the following conditions are met:

- there is clear evidence that an arrangement exists;
- amounts are fixed or can be determined;
- the ability to collect is reasonably assured.

The Organization uses the deferral method of accounting for contributions. Restricted contributions related to expenses for future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

The deferred capital contributions are recognized at the same rate as the related capital assets are amortized.

Donation recognition

Donations are recorded as revenue when received.

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.

Notes to Financial Statements

Year Ended December 31, 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

Volunteers contribute a significant number of hours per year to assist the Organization in carrying out its objectives. In addition, the Organization receives donated materials and services throughout the year. Since no objective basis exists for recording or assigning value to the services, they are not reflected in the accompany financial statements.

Managing capital

The capital structure of the Organization consists of net assets. Capital requirements are funded through government grants, program revenues and corporate donations. The objective when managing capital is to ensure it maintains adequate capital to support its continued operations.

The Organization is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2019.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, long-term debt, and accounts payable.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

5. CASH

Cash balance consists of:

	2019	2018
Operating funds	\$ 282,898	\$ 719,422
Opportunities fund	250,693	86,782
Cottage lottery	736	1,011
Internally restricted	263,098	310,439
	\$ 797,425	\$ 1,117,654

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Notes to Financial Statements****Year Ended December 31, 2019****6. SHORT-TERM INVESTMENTS**

At year end, the Organization's short-term investments consisted primarily of guaranteed investment certificates and accrued interest.

7. ACCOUNTS RECEIVABLE

	2019	2018
Government grants	\$ 5,815	\$ -
Harmonized sales tax	29,475	40,621
Trade receivables	20,055	45,892
Subtotal	55,345	86,513
Allowance for doubtful accounts	(2,465)	-
	\$ 52,880	\$ 86,513

8. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land improvements	\$ 511,937	\$ 93,757	\$ 418,180	\$ 411,533
Buildings	2,576,674	828,139	1,748,535	1,817,376
Computer equipment	30,412	15,778	14,634	2,017
Furniture, fixtures and equipment	153,475	83,009	70,466	63,025
Signs	14,995	6,266	8,729	9,488
Parking lot	25,140	7,431	17,709	19,249
	\$ 3,312,633	\$ 1,034,380	\$ 2,278,253	\$ 2,322,688

9. LONG TERM INVESTMENTS - Restricted

Long term investments consists of a portfolio of mutual funds at market value (cost - \$65,591). The investment is restricted as it relates to internally restricted funds for scholarships.

10. CREDIT FACILITY

The Organization has an available operating line of credit of \$500,000 from TD Canada Trust, which bears interest at prime plus 1% per annum. As at December 31, 2019, there were no funds withdrawn on the line of credit (2018 - \$ Nil).

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Notes to Financial Statements****Year Ended December 31, 2019****11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2019	2018
<u>Payables</u>		
Accounts Payable	\$ 180,704	\$ 197,919
Accrued liabilities	47,006	39,881
	\$ 227,710	\$ 237,800

12. DEFERRED REVENUE

Deferred revenue relates to program funding and capital funding received in advance from donors for specific programs and capital projects at December 31, 2019.

	2019	2018
Current deferred revenue		
Program funding	\$ 259,007	\$ 232,651
Long-term deferred revenue		
Capital funding	770,267	770,266
Equipment funding	355,288	387,976
	1,125,555	1,158,242
	\$ 1,384,562	\$ 1,390,893

13. LONG TERM DEBT

	2019	2018
TD Canada Trust loan repaid during the year.	\$ -	\$ 195,226
Amounts payable within one year	-	(23,609)
	\$ -	\$ 171,617

14. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represents the donations received for the original construction of the Easter Seals House. As amortization of the building is recorded, deferred capital contributions are recorded as an offset to amortization on the Easter Seals House.

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Notes to Financial Statements****Year Ended December 31, 2019****15. INTERNALLY RESTRICTED FUNDS**

Internally restricted funds are as follows

	2019	2018
<u>Funds</u>		
Scholarship	\$ 58,676	\$ 60,676
Playground -Phase 2	272,781	314,000
	\$ 331,457	\$ 374,676

16. FUND DEVELOPMENT AND CORPORATE AFFAIRS EXPENSES

	2019	2018
Advertising and promotion	\$ 261,746	\$ 249,648
Event rental and prizes	938,310	1,241,956
Licensing and event fees	9,049	8,936
Office and supplies	38,402	40,857
Other	8,809	7,203
Salaries and benefits	122,069	119,470
Travel	1,506	895
	\$ 1,379,891	\$ 1,668,965

17. OPERATING EXPENSES

	2019	2018
Insurance	\$ 31,580	\$ 18,822
Interest and bank charges	44,259	47,978
Interest on long term debt	2,275	4,852
Miscellaneous	4,371	1,681
Office and supplies	12,231	2,381
Professional fees	3,621	2,814
Repairs and maintenance	58,531	61,566
Salaries and wages	221,185	220,512
Travel	411	46
Utilities	26,789	22,827
	\$ 405,253	\$ 383,479

EASTER SEALS, NEWFOUNDLAND AND LABRADOR INC.**Notes to Financial Statements****Year Ended December 31, 2019****18. PROGRAM EXPENSES**

	2019	2018
Advertising and promotion	\$ -	\$ 331
Miscellaneous	52,023	51,573
Office and supplies	25,508	21,990
Professional fees	11,506	11,135
Salaries and benefits	559,775	605,248
Service rentals	19,614	58,763
Travel	5,551	30,123
	\$ 673,977	\$ 779,163





**Easter
Seals**TM

**Newfoundland
and Labrador**

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