

**Adventure Place  
Financial Statements  
Year ended March 31, 2020**

# **Adventure Place Financial Statements Year ended March 31, 2020**

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## Independent Auditors' Report

To the Board of Directors of  
Adventure Place

### *Opinion*

We have audited the financial statements of Adventure Place (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and fund balances 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 Adventure Place as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *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 *Auditors' 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.

### *Auditors' 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 auditors' 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.

## Independent Auditors' Report (Continued)

### *Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

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 auditors' 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 auditors' 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.

*Lipton LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
July 21, 2020

**Adventure Place**  
**Statement of Financial Position**  
**As at March 31, 2020**

	2020	2019
<b>Assets</b>		
Current		
Cash	\$ 724,553	\$ 748,801
Short-term investments	623,884	610,745
Grants and other receivables	361,086	37,728
Government remittances recoverable	69,786	77,195
Prepaid expenses and other assets	86,028	89,959
	1,865,337	1,564,428
Capital assets (Note 3)	257,942	166,260
	\$ 2,123,279	\$ 1,730,688
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 977,544	\$ 642,389
Deferred contributions (Note 4)	597,674	620,008
Current portion of deferred capital contributions (Note 5)	4,478	4,478
	1,579,696	1,266,875
Deferred capital contributions (Note 5)	13,433	17,911
	1,593,129	1,284,786
Commitments (Note 8)		
Subsequent events (Note 10)		
<b>Fund Balances</b>		
Operating fund - unrestricted	502,093	459,987
Programs fund - internally restricted	28,057	(14,085)
	530,150	445,902
	\$ 2,123,279	\$ 1,730,688

See accompanying notes to the financial statements

Approved by the Board of Directors:

  
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**Adventure Place**  
**Statement of Operations and Fund Balances**  
**Year ended March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Ministry of Children, Community and Social Services	\$ 5,753,529	\$ 3,523,002
Surrey Place	-	2,430,858
City of Toronto (Toronto Public Health)	1,846,204	1,890,043
City of Toronto (Children's Services)	2,282,969	1,857,179
Public Health Agency of Canada	257,862	258,693
Hinks-Dellcrest	71,910	64,183
United Way	177,136	177,136
Human Resources and Social Development Canada	8,859	11,386
Fee for Service	101,892	-
Other receipts	32,511	141,023
Amortization of deferred capital contributions (Note 5)	4,478	26,541
	<b>10,537,350</b>	<b>10,380,044</b>
<b>Operating expenses (Note 6)</b>		
Salaries	7,265,311	7,037,213
Employee benefits	1,284,797	1,230,657
Occupancy and equipment	653,130	688,961
Purchased services	141,799	172,692
Program	176,097	275,007
Office and communication	94,773	101,644
Promotion and publicity	5,579	67,568
Administration	752,084	668,439
Amortization of capital assets	79,532	369,311
	<b>10,453,102</b>	<b>10,611,492</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 84,248</b>	<b>\$ (231,448)</b>
<b>Fund balances - beginning of year</b>	<b>445,902</b>	<b>677,350</b>
Appropriations to investments in capital assets	(171,214)	(79,289)
Deferred capital contributions	-	(22,389)
Purchase of capital assets	171,214	101,678
<b>Fund balances - end of year</b>	<b>\$ 530,150</b>	<b>\$ 445,902</b>

See accompanying notes to the financial statements

**Adventure Place**  
**Statement of Operations and Fund Balances - Operating**  
**Year ended March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Amortization of deferred capital contributions (Note 5)	\$ 4,478	\$ 26,541
Other receipts	29,688	124,759
	<b>34,166</b>	<b>151,300</b>
<b>Operating expenses</b>		
Salaries	101,038	38,042
Employee benefits recovery	(25,000)	-
Occupancy and equipment recovery	-	(13,103)
Program expense	2,276	2,237
Office and communication	-	206
Promotion and publicity	2,698	63,568
Amortization of capital assets	79,532	369,311
	<b>160,544</b>	<b>460,261</b>
<b>Deficiency of revenues over expenditures</b>	<b>\$ (126,378)</b>	<b>\$ (308,961)</b>
<b>Fund balances - beginning of year</b>	<b>459,987</b>	<b>702,762</b>
Appropriations to investments in capital assets	(2,730)	(13,103)
Purchase of capital assets	171,214	79,289
<b>Fund balances - end of year</b>	<b>\$ 502,093</b>	<b>\$ 459,987</b>

See accompanying notes to the financial statements

**Adventure Place**

**Statement of Operations and Fund Balances - Children's Mental Health Programs**

Year ended March 31, 2020

	Child and Youth Mental Health ("CYMH") Brief Services	CYMH Counselling and Therapy Services	Family and Caregiver Skills Building and Support	Access Intake Service Planning	Intensive Treatment Services	Service Coordination Process	Specialized Consultation and Assessment Services	Targeted Prevention	Broader Public Sector Other Children's Services	Baby Love Yorktown	Total 2020	Total 2019
<b>Revenues</b>												
Ministry of Children, Community and Social Services	\$ 305,000	\$ 312,777	\$ 175,912	\$ 72,567	\$ 970,724	\$ 138,142	\$ 107,284	\$ 3,675	\$ 12,157	\$ -	\$ 2,098,238	\$ 1,956,263
Other receipts	-	120	-	-	-	-	-	-	-	823	943	280
	305,000	312,897	175,912	72,567	970,724	138,142	107,284	3,675	12,157	823	2,099,181	1,956,543
<b>Expenses</b>												
Salaries	228,469	226,287	129,129	44,294	644,681	105,811	54,919	3,079	12,107	-	1,448,776	1,183,125
Employee benefits	38,679	43,639	23,530	6,335	125,603	17,330	9,952	523	-	-	265,591	216,634
Occupancy and equipment	7,940	9,626	8,385	4,983	68,373	7,422	5,397	15	-	-	112,141	105,168
Purchased services	187	1,473	140	1,718	16,604	-	23,703	-	50	-	43,875	93,326
Program	(827)	1,276	628	682	16,460	698	(11)	38	-	823	19,767	112,825
Office and communication	277	792	276	982	1,499	69	357	-	-	-	4,252	12,562
Promotion and publicity	-	314	-	-	238	-	-	-	-	-	552	2,447
Administration costs (Note 6)	28,676	29,490	13,824	13,573	88,266	6,812	12,967	20	-	-	193,628	198,412
	303,401	312,897	175,912	72,567	961,724	138,142	107,284	3,675	12,157	823	2,088,582	1,924,499
<b>Excess of revenues over expenditures</b>	\$ 1,599	\$ -	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,599	\$ 32,044
<b>Fund balances - beginning of year</b>	-	-	-	-	-	-	-	-	-	-	-	-
Appropriations to investments in capital assets	(1,599)	-	-	-	(9,000)	-	-	-	-	-	(10,599)	(32,044)
<b>Fund balances - end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements



**Adventure Place**  
**Statement of Operations and Fund Balances - Early Years Programs**  
**Year ended March 31, 2020**

	Every Child Belongs	Better Beginnings NOW	Early Abilities	Ontario Early Years Centre	Total 2020	Total 2019
<b>Revenues</b>						
City of Toronto (Toronto Public Health)	\$ -	\$ 396,544	\$ 1,449,660	\$ -	\$ 1,846,204	1,890,043
City of Toronto (Children's Services)	1,379,911	-	-	903,058	2,282,969	1,857,179
Public Health Agency of Canada	-	257,862	-	-	257,862	258,693
United Way	-	79,266	-	97,870	177,136	177,136
Hinks-Dellcrest	-	71,910	-	-	71,910	64,183
Human Resources and Social Development Canada	-	-	-	8,859	8,859	11,386
Other receipts	-	1,280	600	-	1,880	12,984
	1,379,911	806,862	1,450,260	1,009,787	4,646,820	4,271,604
<b>Expenses</b>						
Salaries	984,868	596,924	1,108,780	667,180	3,357,752	2,985,261
Benefits	190,897	122,289	171,492	110,726	595,404	507,235
Occupancy and equipment	14,046	32,190	144,887	111,203	302,326	350,500
Purchased services	35,189	-	7,968	2,557	45,714	34,701
Program	16,927	31,088	3,619	76,587	128,221	133,092
Office and communication	21,709	8,544	13,514	22,359	66,126	57,719
Promotion and publicity	41	-	-	1,286	1,327	1,531
Administration costs (Note 6)	77,486	15,082	-	11,272	103,840	156,096
	1,341,163	806,117	1,450,260	1,003,170	4,600,710	4,226,135
<b>Excess of revenues over expenditures</b>	\$ 38,748	\$ 745	\$ -	\$ 6,617	\$ 46,110	\$ 45,469
<b>Fund balances - beginning of year</b>	(13,162)	(2,866)	-	1,943	(14,085)	(25,412)
Deferred capital contribution (Note 5)	-	-	-	-	-	(22,389)
Purchase of capital assets	-	-	-	-	-	22,389
Appropriations to investments in capital assets	(25,586)	-	-	(6,617)	(32,203)	(34,142)
<b>Fund balances - end of year</b>	\$ -	\$ (2,121)	\$ -	\$ 1,943	\$ (178)	\$ (14,085)

See accompanying notes to the financial statements

**Adventure Place**  
**Statement of Operations and Fund Balances - Autism Programs**  
**Year ended March 31, 2020**

	<b>Autism Services</b>	<b>Family Intake Services</b>	<b>Fee for Autism Services</b>	<b>Ontario Autism Programming</b>	<b>Total 2020</b>	<b>Total 2019</b>
<b>Revenues</b>						
Ministry of Children, Community and Social Services	\$ 3,172,835	\$ 249,181	\$ -	\$ 233,275	\$ 3,655,291	\$ 1,566,739
Surrey Place	-	-	-	-	-	2,430,858
Other receipts	76	-	101,816	-	101,892	3,000
	3,172,911	249,181	101,816	233,275	3,757,183	4,000,597
<b>Expenses</b>						
Salaries	2,073,544	176,829	39,472	67,900	2,357,745	2,830,785
Employee benefits	402,965	37,548	8,289	-	448,802	506,788
Occupancy and equipment	215,727	6,062	13,148	3,726	238,663	246,396
Purchased services	46,793	220	-	5,197	52,210	44,665
Program	23,711	122	2,000	-	25,833	26,853
Office and communication	23,806	99	490	-	24,395	31,157
Promotion and publicity	744	258	-	-	1,002	22
Administration costs (Note 6)	362,377	28,043	10,182	54,014	454,616	313,931
	3,149,667	249,181	73,581	130,837	3,603,266	4,000,597
<b>Excess of revenues over expenditures</b>	\$ 23,244	\$ -	\$ 28,235	\$ 102,438	\$ 153,917	\$ -
<b>Fund balances - beginning of year</b>	-	-	-	-	-	-
Appropriations to investments in capital assets	(23,244)	-	-	(102,438)	(125,682)	-
<b>Fund balances - end of year</b>	\$ -	\$ -	\$ 28,235	\$ -	\$ 28,235	\$ -

See accompanying notes to the financial statements

**Adventure Place**  
**Statement of Cash Flows**  
**Year ended March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenditures	\$ 84,248	\$ (231,448)
Items not affecting cash:		
Amortization of capital assets	79,532	369,311
Amortization of deferred capital contributions (Note 5)	(4,478)	(26,541)
	159,302	111,322
Net changes in non-cash working capital:		
Increase in grants and other receivables	(323,358)	(35,252)
Decrease (increase) in government remittances recoverable	7,409	(30,410)
Decrease (increase) in prepaid expenses and other assets	3,931	(8,651)
Increase in accounts payable and accrued liabilities	335,155	99,516
Increase (decrease) in due to Ministry of Children, Community and Social Services	-	(6,150)
Decrease in due to United Way	-	(11,327)
Increase (decrease) in deferred contributions	(22,334)	236,229
Cash flows provided by operating activities	160,105	355,277
<b>Investing activities</b>		
Purchase of capital assets	(171,214)	(101,678)
Purchase of short-term investments	(623,884)	(610,745)
Redemption of short-term investments	610,745	402,626
Receipt of deferred capital contributions	-	22,389
Cash flows used in investing activities	(184,353)	(287,408)
Net change in cash	(24,248)	67,869
Cash - beginning of year	748,801	680,932
<b>Cash - end of year</b>	<b>\$ 724,553</b>	<b>\$ 748,801</b>

See accompanying notes to the financial statements

**Adventure Place**  
**Notes to the Financial Statements**  
**Year ended March 31, 2020**

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**1. Nature of business**

Adventure Place (the "Organization") is a child and family early intervention agency providing services to children with special needs, to children at risk of developing special needs and typically functioning children. The Organization also works in collaboration with community partners, service providers and other resources to provide a variety of community based programs that support children and families. The Organization is a corporation without share capital incorporated under the laws of Ontario and is a registered charity as defined in the Income Tax Act (Canada). The Organization has been granted tax exempt status as a registered charity under Section 149(1)(f) of the Income Tax Act (Canada) effective October 1, 1996.

On April 1, 2020, the Organization amalgamated with three other multi-service agencies in Toronto: Skylark, The Etobicoke Children's Centre and Griffin Centre to form a new agency called Lumenus Community Services ("Lumenus"). The vision of Lumenus is to provide excellent, accessible and integrated mental health, developmental and community services to individuals of all ages.

**2. Significant accounting policies**

The financial statements of the Organization are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Management estimates

The preparation of these 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 the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The significant estimates used in the preparation of these financial statements include the determination of accrued liabilities, the useful lives of capital assets and the allocation of certain expenses. Estimates are reviewed periodically and adjustments are made as appropriate in the year they become known.

(b) Fund accounting

The accounts of the Organization are maintained in accordance with the principles of fund accounting. Resources received and expenses incurred are classified for accounting and reporting purposes into the appropriate funds according to the activities and programs undertaken by the Organization as follows:

(i) Operating

This unrestricted operating fund tracks the revenues and expenses related to the general operations of the Organization which have not otherwise been allocated to any one particular program including salaries and benefits of administration personnel, other general and administrative expenses and amortization of capital assets. The fund also includes the amortization of revenue related to capital contributions.

## **2. Significant accounting policies (continued)**

### (ii) Children's Mental Health

The Ministry of Health, through the Ministry of Children, Community and Social Services contributes to the Organization a targeted amount of restricted funding for the delivery of children's mental health programs; as such, this fund segregates revenues and expenses according to the specified funding areas enlisted within the funding agreement.

### (iii) Early Years

This fund tracks the revenues and expenses for various programs targeted towards the healthy development of children in their early years. Revenues and expenses are presented by specified programs in order to appropriately recognize the restricted funding when corresponding expenses have been incurred as required by the various funding agreements.

### (iv) Autism

The Ministry of Children, Community and Social Services contributes to the Organization a targeted amount of restricted funding for the delivery of autism treatment and parent support programs. For the year ended March 31, 2020, The Ministry of Children, Community and Social Services asked the agency to transition to a Fee for Service model for the Autism Program. Fees were given to help the agency transition to this new model. Revenues and expenses are segregated according to the specified funding areas enlisted within the funding agreements.

### (c) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or the restrictions are met, if the amount to be received can be reasonably estimated and collection is reasonably assured. This includes expenditures related to capital assets when contributions are provided for a certain area of activity, without the contributor specifying which portion is to be used for capital assets.

Restricted contributions relating to capital assets acquired are deferred and amortized on the same basis as the respective capital asset acquired.

Deferred contributions include funds received for specific programs for which the related expenditures have not yet been incurred. Deferred capital contributions include funds received that are restricted for the purchase of capital assets for which the related expenditures have not yet been incurred.

Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Adventure Place**  
**Notes to the Financial Statements**  
**Year ended March 31, 2020**

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**2. Significant accounting policies (continued)**

(d) Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	2 years
Office equipment	4 years
Leasehold improvements	over the greater of 5 years or the term of the lease plus any renewal period

When conditions indicate that a capital asset no longer contributes to the Organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost.

(e) Contributed materials and services

Contributed materials are recognized in the financial statements when their fair values are reasonably determinable and when they would have been purchased by the Organization in the normal course of operations. Fair value is defined as the estimated cash outlay that would have been required to purchase the contributed services and materials. The Organization does not recognize or disclose contributed services in its financial statements and related notes due to the difficulty of determining the fair value of such services.

(f) Allocation of expenses

The Organization engages in treatment, early intervention and prevention services for children with special needs and their families. There are a number of general support expenses common to the administration of the Organization and each of these programs.

Administrative expenses include salaries and benefits, occupancy and equipment costs and other general expenses associated with the administrative staff that supports all programs. The allocation of expenses other than occupancy and equipment costs for certain programs are based on funding guidelines. The allocation of these expenses for community programs are based on community program advisory committee approvals or the funding requirements of other organizations. The allocation of occupancy and equipment costs are allocated based on square footage of each program.

(g) Financial instruments

The Organization initially measures its financial investments fair value. All financial assets and financial liabilities are subsequently measured at amortized cost.

The financial assets subsequently measured at amortized cost include cash, short-term investments and grants and other receivables. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

**Adventure Place**  
**Notes to the Financial Statements**  
**Year ended March 31, 2020**

**3. Capital assets**

	Cost	Accumulated amortization	Net book value	
			2020	2019
Computer equipment	\$ 479,003	\$ 363,593	\$ 115,410	\$ 30,655
Office equipment	301,740	226,367	75,373	75,373
Leasehold improvements	2,003,880	1,936,721	67,159	60,232
	\$ 2,784,623	\$ 2,526,681	\$ 257,942	\$ 166,260

**4. Deferred contributions**

	2020	2019
Balance - beginning of year	\$ 620,008	\$ 383,779
Less: amounts recognized as revenue during year	(600,819)	(364,590)
Add: contributions received during the year	578,485	600,819
Balance - end of year	\$ 597,674	\$ 620,008

**5. Deferred capital contributions**

	2020	2019
Balance - beginning of year	\$ 22,389	\$ 26,541
Funding received	-	22,389
Recognized as income	(4,478)	(26,541)
Balance - end of year	17,911	22,389
Less: current portion	4,478	4,478
Long-term portion	\$ 13,433	\$ 17,911

**Adventure Place**  
**Notes to the Financial Statements**  
**Year ended March 31, 2020**

**6. Allocation of expenses**

The administrative costs allocated to the children's mental health programs, early years programs and autism programs are comprised of the following expenses:

	2020	2019
Salaries	\$ 381,750	\$ 403,349
Employee benefits	108,757	83,173
Occupancy and equipment	48,008	31,711
Purchased services	151,309	37,338
Program expenses	17,296	10,254
Office and communication expenses	104,360	97,839
Promotion and publicity	8,736	7,117
	820,216	670,781
Less: cost recoveries	68,132	2,342
<b>Total administrative costs</b>	<b>\$ 752,084</b>	<b>\$ 668,439</b>
Allocation:		
Children's Mental Health Programs	\$ 193,628	\$ 198,412
Early Years Programs	103,840	156,096
Autism Programs	454,616	313,931
	<b>\$ 752,084</b>	<b>\$ 668,439</b>

**7. Other resources**

The Organization used the services of four teachers during the year under the terms of Section 23 agreements among the Ministry of Education, Ministry of Children, Community and Social Services, a school board and the Organization. These individuals are employed by the Toronto District School Board (the "Board") and as such, their salaries, benefits, classroom space, supplies and equipment are provided through the Board. Since no funds have been received directly by the Organization with respect to these teachers, the financial statements of the Organization do not reflect any associated revenues or expenses.

**8. Commitments**

The Organization's future minimum lease commitments for its premises are as follows:

2020	\$ 167,245
2021	15,156
	<b>\$ 182,401</b>



## **9. Financial instruments**

In management's opinion, the Organization is exposed to the following risks through its financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in the event of non-performance by its funders, but does not anticipate such non-performance. The maximum credit risk is the carrying value of its grants and other receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. Management does not anticipate a risk in meeting its current obligations as the Organization has a sufficient working capital balance.

## **10. Subsequent events**

On April 1, 2020 Adventure Place amalgamated with three other multi-service agencies in Toronto: Skylark, The Etobicoke Children's Centre and Griffin Centre to form a new agency called Lumenus Community Services ("Lumenus"). The vision of Lumenus is to provide excellent, accessible and integrated mental health, developmental and community services to individuals of all ages.

At the Board approval date, although Adventure Place has merged as noted in Note 1, the merged entities' major funding agreements have remained relatively unchanged from previous funding's provided to the previous organizations. However, the merged entity has, and continues to consider options available to adjust its operations should there be any changes in their revenue streams.

On December 31, 2019, the World Health Organization ("WHO") was alerted to several cases of pneumonia in Wuhan, China. The virus causing the pneumonia was later identified as coronavirus disease or COVID-19. COVID-19 quickly spread to other countries throughout the world and on March 11, 2020, the WHO declared the global outbreak of COVID-19 as a pandemic. This led to travel restrictions and bans put in place by various governments around the world, as well as the closing of non-essential businesses in many countries, resulting in a generally negative effect on the global economy.

The Organization is considered an essential business and funding from each of the funders has not stopped. The Organization has continued to receive existing and, in some cases, additional funding from funders to cover additional costs to allow for continued virtual services. It is the opinion of those charged with governance that the effects of the pandemic on the Organization will not be significant. Currently, however, an estimate of the financial effects, if any, of COVID-19 on the Organization's future operations cannot be made due to the uncertainty in future developments.