

Financial Statements of

**Lumenus Foundation  
(formerly Skylark Foundation) (Note 1)**

March 31, 2021

# **Lumenus Foundation (formerly Skylark Foundation)**

March 31, 2021

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# Independent auditor's report

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Grant Thornton LLP  
11th Floor  
200 King Street West, Box 11  
Toronto, ON  
M5H 3T4  
T +1 416 366 0100  
F +1 416 360 4949

To the Members of  
**Lumenus Foundation**

## Opinion

We have audited the financial statements of Lumenus Foundation (formerly Skylark Foundation) (the "Foundation") which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in 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 the Foundation as at March 31, 2021 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 ("ASNPO").

## 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 Foundation 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 these 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Foundation'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.

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 Foundation'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 Foundation'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 Foundation 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Toronto, Canada  
July 20, 2021

Chartered Professional Accountants  
Licensed Public Accountants

# Lumenus Foundation (formerly Skylark Foundation)

## Statement of Financial Position

As at March 31, 2021

	2021	2020
	\$	\$
<b>Assets</b>		
Current		
Cash	2,712,492	789,503
Investments (Note 3)	89,366	1,856,979
Accounts receivable	-	9,329
	2,801,858	2,655,811
Capital assets (Note 5)	276,398	302,310
	3,078,256	2,958,121
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	14,016	12,944
Due to Lumenus Community Services (Note 4)	594,012	357,013
	608,028	369,957
<b>Fund balances</b>		
Board internally restricted reserve fund	2,193,830	1,745,513
Invested in capital assets - internally restricted	276,398	302,310
Operating fund - unrestricted	-	540,341
	2,470,228	2,588,164
	3,078,256	2,958,121

On behalf of the Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Lumenus Foundation (formerly Skylark Foundation)

## Statement of Operations

Year ended March 31, 2021

	2021	2020
	\$	\$
<b>Revenue</b>		
Donations, fundraising and grants (Note 4)	1,221,330	1,708,840
Investment and other income	40,212	44,609
Rental income (Note 4)	36,000	36,000
	<b>1,297,542</b>	<b>1,789,449</b>
<b>Expenses</b>		
Salaries and benefits	159,531	180,595
Fundraising events	30,643	5,952
Office and general	27,021	26,386
Amortization	25,912	25,912
Professional fees	8,320	7,068
	<b>251,427</b>	<b>245,913</b>
<b>Excess of revenue over expenses before below item</b>	<b>1,046,115</b>	<b>1,543,536</b>
Grant to Lumenus Community Services (Note 4)	(1,164,051)	(1,349,595)
<b>(Deficiency) excess of revenue over expenses</b>	<b>(117,936)</b>	<b>193,941</b>

## Lumenus Foundation (formerly Skylark Foundation)

### Statement of Changes in Fund Balances

Year ended March 31, 2021

	2021				2020			
	Internally restricted	Internally restricted	Unrestricted		Internally restricted	Internally restricted	Unrestricted	
	Board reserve fund	Invested in capital assets	Operating fund	Total	Board reserve fund	Invested in capital assets	Operating fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Fund balances, beginning of year</b>	<b>1,745,513</b>	<b>302,310</b>	<b>540,341</b>	<b>2,588,164</b>	1,745,513	328,222	320,488	2,394,223
(Deficiency) excess of revenues over expenses	-	-	(117,936)	(117,936)	-	-	193,941	193,941
Amortization of capital assets	-	(25,912)	25,912	-	-	(25,912)	25,912	-
Board restriction	448,317	-	(448,317)	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>2,193,830</b>	<b>276,398</b>	<b>-</b>	<b>2,470,228</b>	1,745,513	302,310	540,341	2,588,164

# Lumenus Foundation (formerly Skylark Foundation)

## Statement of Cash Flows

Year ended March 31, 2021

	2021	2020
	\$	\$
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenses	(117,936)	193,941
Add item not affecting cash		
Amortization of capital assets	25,912	25,912
	(92,024)	219,853
Net changes in working capital balances:		
Accounts receivable	9,329	4,542
Accounts payable and accrued liabilities	1,072	178
	(81,623)	224,573
<b>Investing activities</b>		
Net proceeds (purchases) from investments	1,767,613	(34,867)
<b>Financing activities</b>		
Advances from Lumenus Community Services	236,999	206,896
<b>Net increase in cash</b>	<b>1,922,989</b>	<b>396,602</b>
<b>Cash, beginning of year</b>	<b>789,503</b>	<b>392,901</b>
<b>Cash, end of year</b>	<b>2,712,492</b>	<b>789,503</b>



# Lumenus Foundation (formerly Skylark Foundation)

## Notes to the Financial Statements

March 31, 2021

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### 1. Purpose of the Organization

Lumenus Foundation (formerly Skylark Foundation) (the "Foundation") was incorporated on September 1, 1994 under the Canada Not-for-Profit Corporations Act. The Foundation was established to receive and maintain a fund or funds and apply all or part of the principal and income therefrom, from time to time, to Lumenus Community Services ("Lumenus"). The mission of Lumenus is to create a seamless, integrated and guided network of mental health, development and community services to reduce systematic barriers, close gaps between services and programs regardless of origin and, as a direct result, ease access for all. The vision of Lumenus is to ensure every infant, child, youth and family in Toronto gets personalized guidance and the mental health, development and community services expertise they need to be seen, be heard and be well.

The Foundation is a Registered Canadian Charitable Organization and is exempt from tax under the Income Tax Act, Canada, Subsection 149 (1)(f). The Foundation changed its name from Skylark Foundation to Lumenus Foundation in September 2020.

### 2. Summary of significant accounting policies

#### *Basis of presentation*

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The more significant policies have been outlined below.

#### *Use of estimates*

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Primary components of these financial statements which include estimates are: accounts receivable, with respect to collection; capital assets, with respect to useful life and amortization; and accrued liabilities, with respect to the estimate of the obligation. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### *Financial instruments*

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Foundation's financial assets are comprised of cash, investments and accounts receivable; financial liabilities are comprised of accounts payable.

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

#### *Fund accounting*

The Operating - unrestricted fund accounts for the Foundation's administrative activities. This fund reports unrestricted resources in excess of operating requirements.

The Board internally restricted reserve fund accounts for the Foundation's resources which have been transferred from the unrestricted fund for specific purposes by the Board of Directors.

The invested in capital assets - internally restricted fund reports the capital assets, liabilities, revenue and expenses related to program capital assets, which have been internally restricted by the Board of Directors.

# Lumenus Foundation (formerly Skylark Foundation)

## Notes to the Financial Statements

March 31, 2021

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### 2. Summary of significant accounting policies (continued)

#### *Revenue recognition*

The Foundation follows the deferral method of accounting for contributions.

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

Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Investment, rental and other income are recognized as earned.

#### *Capital assets*

Capital assets are recorded at cost. Amortization is provided over their expected useful lives on the straight-line basis as follows:

Building	20 years
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Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

#### *Donations in kind*

Donated goods and services in kind are recorded as donations and expensed at fair value when an objective basis to measure their value is available.

### 3. Investments

	2021	2020
	\$	\$
Guaranteed investment certificates ("GICs")	-	1,796,000
High interest savings account	89,366	60,979
	<b>89,366</b>	<b>1,856,979</b>

Prior year's GICs matured between December 2020 and March 2021 and earned interest at rates between 1.90% and 2.04%.

# Lumenus Foundation (formerly Skylark Foundation)

## Notes to the Financial Statements

March 31, 2021

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### 4. Related party transactions

The Foundation was established to raise funds to primarily support programs and services operated by Lumenus and used for purposes to be agreed upon by the Foundation and Lumenus. Lumenus is incorporated by letters patent under the Canada Not-for-Profit Corporations Act as an organization without share capital and is a registered charity under the Income Tax Act (Canada).

On April 1, 2020, Lumenus was created through the amalgamation of four multi-service agencies in Toronto: Skylark Children, Youth and Families, Adventure Place, The Etobicoke Children's Centre and Griffin Centre to form the new agency. The vision of Lumenus is to provide excellent, accessible and integrated mental health, developmental and community services to individuals of all ages.

Lumenus and the Foundation share administrative staff, management and have common board members. Lumenus exercises control over the Foundation by virtue of its power to determine the Foundation's strategic, operating, investing and financial policies. Related party transactions are measured at their exchange amount, which is the amount agreed upon by both parties.

The balance due to Lumenus is non-interest bearing and due on demand. Balances due to Lumenus relates to payments for services outstanding from the Foundation to Lumenus.

During the year, the Foundation distributed \$1,164,051 (2020 - \$1,349,595) in grants to fund programs at Lumenus, included in Grant to Lumenus Community Services in the statement of operations.

During the year, the Foundation received \$62,186 (2020 - \$91,851) in grants from Lumenus, included in donations, fundraising and grants in the statement of operations.

During the fiscal year, the Foundation earned rental income on the Huron residence from Lumenus of \$36,000 (2020 - \$36,000), included in rental income in the statement of operations.

# Lumenus Foundation (formerly Skylark Foundation)

## Notes to the Financial Statements

March 31, 2021

### 5. Capital assets

	2021		2020
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land - Huron Residence	172,750	-	172,750
Building - Huron Residence	518,240	414,592	129,560
	690,990	414,592	302,310

In 2007, the Ministry of Children, Community and Social Services of Ontario provided \$350,000 to Lumenus to finance the renovation of the property owned by the Foundation as well as placing a lien on a property located in Toronto, which Lumenus provided to the Foundation. The Foundation may not demolish, make additions, sell, lease, mortgage or otherwise alter or dispose of the property without consent of the Ministry. In the event of the sale of the premises, the Ministry is entitled to approximately 33.21% of the net proceeds.

### 6. Financial instruments

The Foundation has a risk management framework to monitor, evaluate and manage to risks assumed with its financial instruments.

The risks that arise from financial instruments include interest rate risk, credit risk and liquidity risk. It is management's opinion that the Foundation is not exposed to significant currency or market risks arising from its financial instruments. There were no significant changes in risks from prior years.

#### *Liquidity risk*

Liquidity risk is the risk the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities. The Foundation is exposed to this risk mainly in respect to its accounts payable. The Foundation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintaining adequate cash reserves to repay creditors and having financing available from Lumenus, if required.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation's credit risk is managed through proactive credit management policies. The allowance for doubtful accounts in relation to accounts receivable is \$Nil (2020 - \$Nil).

#### *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect the value of investments held by the Foundation. To manage these risks, the Foundation has an investment policy that focuses on guaranteed investment certificates and high interest savings accounts, thus limiting exposure to interest rate risk.

# Lumenus Foundation (formerly Skylark Foundation)

## Notes to the Financial Statements

March 31, 2021

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### 7. COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

While the Foundation has taken measures to ensure the safety of its stakeholders through implementation of physical distancing and sterilization protocols, all aspects of its operations were deemed essential and it has remained operational. As a result of the pandemic, the Foundation experienced decreases in certain revenue streams during the current year. In spite of that, the Foundation's main funding sources have remained relatively unchanged, although it is active in considering its options available to adjust operations should there be any permanent change in its revenue streams.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Foundation for future periods.