

Financial Statements of

Lumenus Community Services

March 31, 2025

Lumenus Community Services

March 31, 2025

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Independent auditor's report

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To the Members of
Lumenus Community Services

Opinion

We have audited the financial statements of Lumenus Community Services ("Lumenus") which comprise the statement of financial position as at March 31, 2025, 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 Lumenus as at March 31, 2025 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 Lumenus 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.

Other matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Schedules is presented for the purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applies only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

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 Lumenus' 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 Lumenus or to

cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Lumenus' 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 Lumenus' 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 Lumenus' 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 Lumenus 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.

Doane Grant Thornton LLP

Toronto, Canada
May 29, 2025

Chartered Professional Accountants
Licensed Public Accountants

Lumenus Community Services

Statement of Financial Position

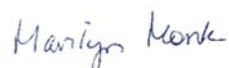
As at March 31

	2025	2024
	\$	\$
Assets		
Current		
Cash	18,459,545	16,737,442
Accounts receivable	1,340,323	2,949,012
Due from Lumenus Foundation (Note 3)	1,420,004	1,402,913
Prepaid expenses	220,743	247,587
	21,440,615	21,336,954
Capital assets (Note 4)	6,555,077	6,142,777
Intangible assets (Note 4)	611,194	-
	28,606,886	27,479,731
Liabilities		
Current		
Accounts payable and accrued liabilities	7,372,426	6,411,921
Deferred contributions (Note 5)	7,767,002	8,688,994
	15,139,428	15,100,915
Deferred capital contributions (Note 6)	3,444,522	2,261,433
	18,583,950	17,362,348
Fund balances		
Board internally restricted reserve fund	6,301,187	6,236,039
Capital and intangible asset fund	3,721,749	3,881,344
Unrestricted fund	-	-
	10,022,936	10,117,383
	28,606,886	27,479,731

Commitments (Note 7)

On behalf of the Board of Directors

 Director



Director

Lumenus Community Services
Statement of Operations
Year ended March 31

	2025	2024
	\$	\$
Revenue		
Federal funding	459,453	419,198
Provincial funding	77,203,914	75,011,242
Municipal funding	4,343,315	3,869,391
Fundraising and donations	854,519	653,884
Fee for service and program grants	6,563,291	5,276,777
Partnership revenue	7,014,464	6,687,826
Interest and other income	1,061,738	1,274,905
Amortization of deferred capital contributions (Note 6)	569,410	673,776
	98,070,104	93,866,999
Expenses		
Salaries and benefits	39,526,695	36,578,727
Travel and communication	651,088	638,537
Purchased client services	16,290,130	15,118,216
Purchased client services for partners	34,211,971	32,428,025
Supplies and equipment	1,568,087	2,567,151
Building occupancy	1,738,426	2,212,404
Professional and consulting fees	3,449,149	3,187,202
	97,435,546	92,730,262
Amortization of capital assets	729,005	1,044,145
	98,164,551	93,774,407
Excess of revenue over expenses	(94,447)	92,592

Lumenus Community Services
Statement of Changes in Fund Balances
Year ended March 31

	2025			2024
	Board internally restricted reserve fund	Capital and intangible asset fund	Unrestricted fund	Total
	\$	\$	\$	\$
Fund balances, beginning of year	6,236,039	3,881,344	-	10,117,383
Excess (deficiency) of revenue over expenses	-	(159,595)	65,148	(94,447)
Purchase of capital assets	-	1,752,499	(1,752,499)	-
Funding received for capital purchases	-	(1,752,499)	1,752,499	-
Transfer fom Board reserve fund to support special projects	(100,000)	-	100,000	-
Transfer to Board reserve fund from operations	165,148	-	(165,148)	-
Fund Balances, ending of year	6,301,187	3,721,749	-	10,022,936

See accompanying notes to the financial statements.

Lumenus Community Services

Statement of Cash Flows

Year ended March 31

	2025	2024
	\$	\$
Operating activities		
Excess of revenue over expenses	(94,447)	92,592
Add items not affecting cash		
Amortization of deferred capital contributions	(569,410)	(673,776)
Amortization of capital assets	729,005	1,044,145
	65,148	462,961
Net changes in working capital balances		
Accounts receivable	1,608,689	(1,208,929)
Prepaid expenses	26,844	58,407
Accounts payable and accrued liabilities	960,505	(3,066,906)
Deferred contributions	(921,992)	59,334
	1,739,194	(3,695,133)
Financing activities		
Funding received for purchase of capital assets	1,752,499	599,888
Principal repayment of mortgage payable	-	(270,339)
Increase in due from Lumenus Foundation	(17,091)	(351,778)
	1,735,408	(22,229)
Investing activities		
Purchase of capital assets	(1,752,499)	(1,049,030)
Net increase (decrease) in cash	1,722,103	(4,766,392)
Cash, beginning of year	16,737,442	21,503,834
Cash, end of year	18,459,545	16,737,442

Lumenus Community Services

Notes to the Financial Statements

March 31, 2025

1. Purpose of the organization

The mission of Lumenus Community Services ("Lumenus") is to create a seamless, integrated and guided network of mental health, developmental and community services to reduce system barriers, close gaps between services and programs regardless of origin and, as a direct result, ease access for all.

Lumenus' vision is to ensure that every infant, child, youth, individual and family in Toronto gets personalized guidance and the mental health, developmental and community services expertise they need to be seen, be heard, and be well.

Lumenus' programs and services are economically dependent on funding from the Ministry of Children, Community and Social Services and Ministry of Health (collectively referred to as the "Ministry"), comprising approximately 78% (2024 - 80%) of total revenue.

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). Lumenus must meet certain requirements under the Income Tax Act (Canada). In the opinion of management, these requirements have been met.

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 accounting 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; and useful lives and amortization of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments

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

Financial assets and financial liabilities in arm's length transactions are initially recognized at fair value and subsequently measured at amortized cost. Financial assets and liabilities in related party transactions are initially and subsequently measured at cost.

Fund accounting

The unrestricted fund accounts for Lumenus' administrative activities. This fund reports unrestricted resources in excess of operating requirements.

The capital and intangible asset fund reports the capital assets, liabilities, revenue and expenses related to program capital assets.

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

Lumenus Community Services

Notes to the Financial Statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Revenue recognition

Lumenus follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the unrestricted 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.

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. Deferred capital contributions are recognized as revenue at rates corresponding to those applied to record amortization expense for the related capital assets.

Fee for service revenue is recognized as services are provided. Interest and other income are recognized as earned.

Capital and intangible assets

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

Building	40 years
Leasehold improvements	Over the lease term
Furniture and equipment	4 years
Computer hardware and software	4 years
Automobiles	5 years
Computer software	2 to 20 years

Capital and intangible 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.

Allocation of expenses

Lumenus incurs administration costs that are common to the administration of each of its programs. Administration costs are allocated to the programs based on the contracts with the funders. Most contracts allow for 10% of the contract amount for administration expenses; the others are negotiated with the funder.

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 and the item would otherwise be purchased in normal operations.

3. Related party transactions

Lumenus Foundation (the "Foundation") was established to receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to Lumenus. The Foundation was incorporated on September 1, 1994 under the Canada Not-for-Profit Corporations Act. The Foundation is a registered Canadian Charitable Organization and is exempt from tax under the Income Tax Act, Canada, Subsection 149 (1)(f).

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.

Lumenus Community Services

Notes to the Financial Statements

March 31, 2025

3. Related party transactions (continued)

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

During the year, the Foundation distributed \$1,056,924 (2024 - \$1,213,941) in grants to fund programs at Lumenus, which are initially deferred and included in grants and subsidies in the statement of operations as related expenses are incurred.

During the year, Lumenus distributed \$5,443 (2024 - \$8,362) in grants to the Foundation included in profesional and consulting fees in the statement of operations.

During the year, the Foundation earned rental income on the Huron residence from Lumenus of \$36,000 (2024 - \$36,000) included in building occupancy in the statement of operations.

The Foundation has not been consolidated in Lumenus' financial statements. Financial statements of the Foundation are available on request. The financial summary of the Foundation as at March 31, 2025 and 2024 and for the years then ended is as follows:

Financial Position

	2025	2024
	\$	\$
Total assets	3,571,276	3,897,842
Total liabilities	1,490,547	1,468,158
Total fund balances	2,080,729	2,429,684
	3,571,276	3,897,842

Results of Operations

	2025	2024
	\$	\$
Total revenue	1,210,961	1,536,606
Total expenses	1,559,916	1,512,457
(Deficiency) excess of revenue over expenses	(348,955)	24,149

Cash flows

	2025	2024
	\$	\$
Cash from operating activities	(317,745)	139,979
Cash from investing activities	(1,520,257)	1,448,896
Cash from financing activities	17,091	351,778
Net cash flows	(1,820,911)	1,940,653

Lumenus Community Services

Notes to the Financial Statements

March 31, 2025

4. Capital and intangible assets

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
<i>Capital assets</i>				
Land	574,392	-	574,392	574,392
Building	4,256,521	2,074,904	2,181,617	2,230,563
Leasehold improvements	10,168,512	6,772,333	3,396,179	2,860,263
Furniture and equipment	2,085,736	2,040,574	45,162	6,888
Computer equipment	2,864,176	2,506,449	357,727	454,269
Automobile	182,998	182,998	-	16,402
	20,132,335	13,577,258	6,555,077	6,142,777
<i>Intangible assets</i>				
Computer software	611,194	-	611,194	-

Pursuant to financial agreements between Lumenus and the Ministry, the Ministry has provided financial assistance towards the purchase and renovation of specific land and buildings. In accordance with these agreements, in the event of a sale of these land and buildings, the net proceeds will be distributed between Lumenus and the Ministry as follows:

	Lumenus	Ministry
Toronto building	61%	39%
Etobicoke building	0%	100%
Richmond Hill building	0%	100%
North York building	75%	25%

5. Deferred contributions

The changes in deferred contributions are as follows:

	March 31, 2024	Received/ Receivable	Recognized	Balance March 31, 2025
	\$	\$	\$	\$
Grants and subsidies	7,281,236	2,027,767	(3,068,190)	6,240,813
Fundraising and other	1,295,023	1,089,635	(1,046,422)	1,338,236
Charitable gaming	112,735	96,061	(20,843)	187,953
	8,688,994	3,213,463	(4,135,455)	7,767,002

Lumenus Community Services

Notes to the Financial Statements

March 31, 2025

6. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	2025	2024
	\$	\$
Balance, beginning of year	2,261,433	2,335,321
Funds received for capital asset purchases	1,752,499	599,888
Amortization of deferred capital contributions	(569,410)	(673,776)
Balance, end of year	3,444,522	2,261,433

7. Commitments

Lumenus has entered into agreements to lease premises and equipment for various periods until March 31, 2028. Lumenus is committed to the following future minimum annual lease payments:

	\$
2026	904,032
2027	663,840
2028	669,129
	2,237,001

Lumenus Community Services

Notes to the Financial Statements

March 31, 2025

8. Credit facility

On October 30, 2020, Lumenus entered into a revolving demand credit facility. The credit facility, which is due on demand, bears interest at the bank's prime rate plus 0.7% (5.65% effective rate at March 31, 2025) with an overall credit limit of \$1,200,000. The credit facility is secured by a general security agreement on all the assets of Lumenus and a collateral mortgage in the amount of \$1,137,500 on the Toronto building. The credit facility balance used is \$Nil at March 31, 2025 (2024 - \$Nil).

9. Indemnity of directors and officers

In the normal course of business, Lumenus enters into agreements that meet the definition of a guarantee. Indemnity has been provided to all directors and officers of Lumenus for various items including, but not limited to, all costs to settle suits or actions due to involvement with Lumenus, subject to certain restrictions. Directors' and officers' liability insurance has been purchased to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the period over which the indemnified party served as a director or officer of Lumenus. The maximum amount of any potential future payment cannot be reasonably estimated.

10. Financial instruments

Lumenus has a risk management framework to monitor, evaluate and manage risks assumed with its financial instruments. The risks that arise from financial instruments include credit risk and liquidity risk. There were no significant changes in risks from prior years.

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. Lumenus's credit risk is managed through proactive credit management policies. The allowance of doubtful accounts in relation to accounts receivable is \$Nil (2024 - \$Nil).

Liquidity risk

Liquidity risk is the risk Lumenus will encounter difficulty in meeting the obligation associated with its financial liabilities. Lumenus is exposed to this risk mainly in respect to its accounts payable. Lumenus reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintaining adequate cash reserves to repay creditors.

Lumenus Community Services

Schedule of Programs

Year ended March 31

							2025
	Federal Government	MCCSS Toronto Region	MOH Toronto Region	City of Toronto	Program Grants and Fee for Service	Administration	Total
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Federal funding	258,600	200,853	-	-	-	-	459,453
Provincial funding	-	59,508,345	12,459,558	-	199,912	5,036,099	77,203,914
Municipal funding	-	-	-	4,032,934	-	310,381	4,343,315
Fundraising and donations	24,012	65,667	50,170	34,958	418,456	261,256	854,519
Fee for service and program grants	-	-	50,000	50,515	4,576,736	1,886,040	6,563,291
Partnership revenue	-	482,637	285,565	-	6,197,977	48,285	7,014,464
Interest and other income	-	-	-	-	-	1,061,738	1,061,738
Amortization of deferred capital contributions	-	245,015	177,401	11,214	26,179	109,601	569,410
	282,612	60,502,517	13,022,694	4,129,621	11,419,260	8,713,400	98,070,104
Expenses							
Salaries and benefits	255,421	9,893,801	10,317,914	3,616,461	9,153,245	6,289,853	39,526,695
Travel and communication	2,675	307,818	123,736	55,536	90,940	70,383	651,088
Purchased client services	-	14,449,361	1,241,844	53,650	545,275	-	16,290,130
Purchased client services for partners	-	34,211,971	-	-	-	-	34,211,971
Supplies and equipment	3,319	592,584	163,660	168,378	259,131	381,015	1,568,087
Building occupancy	15,381	320,598	488,151	172,800	497,011	244,485	1,738,426
Professional and consulting fees	5,816	481,369	509,988	51,581	401,378	1,999,017	3,449,149
Amortization of capital assets	-	245,015	177,401	11,215	26,179	269,195	729,005
	282,612	60,502,517	13,022,694	4,129,621	10,973,159	9,253,948	98,164,551
Excess of revenue over expenses	-	-	-	-	446,101	(540,548)	(94,447)

Lumenus Community Services

Schedule of EarlyON, MHI and Every Child Belongs

Year ended March 31

	2025			
	EarlyON	Mental Health Initiative Grant	Every Child Belongs	Total
	\$	\$	\$	\$
Revenue				
Municipal funding	867,481	390,000	2,385,427	3,642,908
Other sources	-	21,540	4,691	26,231
	867,481	411,540	2,390,118	3,669,139
Expenses				
Salaries and benefits	647,278	341,310	2,024,296	3,012,884
Travel and communication	7,024	4,212	32,047	43,283
Purchased client services	325	3,156	49,367	52,848
Supplies and equipment	57,936	20,923	25,025	103,884
Building occupancy	81,989	-	55,729	137,718
Professional and consulting fees	8,793	2,939	26,897	38,629
	803,345	372,540	2,213,361	3,389,246
Administration	64,137	39,000	176,757	279,894
	867,482	411,540	2,390,118	3,669,140
Excess of revenue over expenses	-	-	-	-