The Lighthouse Program for Grieving Children
Financial Statements
December 31, 2021

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For the year ended December 31, 2021

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Independent Auditor's Report

To the of The Lighthouse Program for Grieving Children:

Qualified Opinion

We have audited the financial statements of The Lighthouse Program for Grieving Children (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The Lighthouse Program for Grieving Children 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 Lighthouse Program for Grieving Children. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses for the year ended December 31, 2021, current assets as at December 31, 2021, and net assets as at January 1, 2021 and December 31, 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are those standards are further described in the Auditor's Responsibilities for the Audit of the Financial 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 qualified 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.

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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 Organization’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Burlington, Ontario — Chartered Professional Accountants

June 20, 2022 — Licensed Public Accountants

The Lighthouse Program for Grieving Children
Statement of Financial Position
As at December 31, 2021

	2021	*2020*
Assets		
Current		
Cash	**807,466**	514,958
Investments *(Note 3)*	**352,491**	721,577
Accounts receivable	**53,969**	33,955
Prepaid expenses	**8,393**	6,547
Government assistance receivable *(Note 4)*	**4,978**	11,722
	1,227,297	1,288,759
Investments *(Note 3)*	**830,241**	659,857
Property and equipment *(Note 5)*	**1,813,584**	1,866,986
	3,871,122	3,815,602
Liabilities		
Current		
Accounts payable and accrued liabilities	**98,228**	44,207
Deferred capital contributions *(Note 6)*	**327,114**	340,290
Government loan payable *(Note 7)*	**30,000**	30,000
	455,342	414,497
Net Assets	**3,415,780**	3,401,105
	3,871,122	3,815,602

Approved on behalf of the Board

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Director

The accompanying notes are an integral part of these financial statements

The Lighthouse Program for Grieving Children
Statement of Operations
For the year ended December 31, 2021

	2021	2020
Revenue		
Donation contributions *(Note 3), (Note 8)*	**839,306**	880,392
United Way contributions	**40,586**	48,337
Amortization of deferred capital contributions *(Note 6)*	**13,176**	13,176
Investment income	**15,520**	16,465
Conferences	**17,575**	23,025
	926,163	981,395
Expenses		
Amortization of property and equipment	**62,353**	61,926
Facility and occupancy *(Note 4)*	**36,731**	36,538
Fundraising	**72,758**	84,676
General office	**40,825**	30,214
Interest and bank charges	**10,645**	9,685
Professional fees	**32,163**	27,158
Program	**54,911**	26,216
Salaries, wages and contracted services *(Note 4), (Note 7)*	**590,754**	446,243
Training and education	**10,348**	5,717
	911,488	728,373
Excess of revenue over expenses	**14,675**	253,022

The Lighthouse Program for Grieving Children
Statement of Changes in Net Assets
For the year ended December 31, 2021

	2021	*2020*
Net assets, beginning of year	**3,401,105**	3,148,083
Excess of revenue over expenses	**14,675**	253,022
Net assets, end of year	**3,415,780**	3,401,105

The accompanying notes are an integral part of these financial statements

The Lighthouse Program for Grieving Children
Statement of Cash Flows
For the year ended December 31, 2021

	2021	*2020*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**14,675**	253,022
Amortization of property and equipment	**62,353**	61,926
Amortization of deferred capital contributions	**(13,176)**	(13,176)
Donated investments	**(12,228)**	(38,056)
	51,624	263,716
Changes in working capital accounts		
Accounts receivable	**(20,014)**	(743)
Government assistance receivable	**6,744**	(11,722)
Prepaid expenses	**(1,846)**	5,801
Accounts payable and accrued liabilities	**54,021**	26,583
	90,529	283,635
Financing		
Government loan advances	**-**	30,000
Investing		
Purchase of property and equipment	**(8,951)**	-
Purchase of investments	**(607,875)**	(1,200,530)
Proceeds on disposal of investments	**818,805**	1,033,760
	201,979	(166,770)
Increase in cash resources	**292,508**	146,865
Cash resources, beginning of year	**514,958**	368,093
Cash resources, end of year	**807,466**	514,958

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

The Lighthouse Program for Grieving Children ("the Organization") was incorporated without share capital under the Ontario Business Corporation Act on November 16, 2001. The Organization's objective is to provide peer support to children, teenagers and their families in coping with their loss and growing through their grief.

The Organization is a registered charity under the Income Tax Act and is exempt from income tax under Section 149(1)(f) of the Income Tax Act. Registration remains valid as long as the Organization continues to fulfill the requirements of the Act and regulations in respect of registered charities.

The outbreak of the coronavirus, also known as "COVID-19", continues to spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Organization's business activities. The extent to which the coronavirus may impact the Organization's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Organization cannot determine their financial impact at this time.

2. Significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Revenue recognition

The Organization uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization records contributed materials and services if it is able to estimate the fair value of the contributed materials or services and if it would have purchased the materials or services if they had not been donated.

Revenue received in advance for specific programs is recorded as deferred revenue and recognized in income when the program takes place.

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of a building. Recognition of these amounts as revenue occurs as the building is amortized. The deferred contributions are amortized over the useful life of the related asset, which uses the straight-line method over 30 years.

Conference revenue is recognized as conferences are held.

Investment income is recognized as interest income is earned and dividends are received.

Government assistance

Government assistance toward current expenses is recognized is income during the year as a reduction of the related expenses.

2. Significant accounting policies *(continued from previous page)*

Property and equipment

Purchased property and equipment are recorded at cost less accumulated amortization. Contributed property and equipment are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Building	straight-line	30 years
Computer hardware	straight-line	5 years
Computer software	straight-line	5 years
Furniture and fixtures	straight-line	5 years

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.

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 amounts of assets and liabilities and 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.

Accrued liabilities are based on the expected amount to settle the liability at year end. Amortization is based on the estimated useful lives of property and equipment.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the periods in which they become known.

Financial instruments

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.

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when information is available that may indicate impairment. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

3. Investments

Investments consist of investment in a direct investing account and guaranteed investment certificates (GICs). The direct investing account consists of shares in public companies, mutual funds and guaranteed investment certificates. The current year guaranteed investment certificates have interest rates ranging from 0.4% to 2.21% and mature between January 17, 2022 and October 7, 2024. During the year, donation contributions revenue includes $12,228 (2020 - $38,056) of donated public company shares.

	2021	*2020*
Current portion of GICs	**352,491**	698,500
Shares in public companies	**-**	23,077
Current portion of investments	**352,491**	721,577
Long-term portion of GICs	**830,241**	659,857
Total investments	**1,182,732**	1,381,434

4. Government assistance receivable

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. The subsidy generally covers 75% of an employee's wages (to a maximum) for employers of all sizes and across all sectors that have suffered a decrease in gross revenues. The subsidy is retroactive to March 15, 2020. The qualification and application of the CEWS is being assessed over multiple four-week application period segments.

During the year, the Organization recognized total CEWS wage subsidies of $145,158 (2020 - $109,947) which was recognized as a reduction of the salaries and benefits expense. At December 31, 2021 the amount receivable related to CEWS is Nil (2020 - $11,722).

The Canada Emergency Rent Subsidy (“CERS”) provides a direct and easy-to-access rent and mortgage subsidy of up to 65% of eligible expenses to qualifying businesses, charities and non-profits. This support is available directly to tenants.

The Organization has recognized $3,892 (2020 - Nil) of the rent subsidy and has recorded it as a reduction to the eligible rent expense.

As of December 31, 2021, the amount receivable related to CERS is Nil (2020 - Nil).

Both the CEWS and CERS programs ended in October 2021.

The Canada Recovery Hiring Program (“CRHP”) provides support to qualifying businesses, charities and non-profits with revenue reductions who have new hires or increased hours or wages of existing employees. The subsidy covers up to 50% of the remuneration that exceed the remuneration paid during the reference period and is available for four week periods between starting June 6, 2021 and ending on May 7, 2022.

The Organization has recognized $4,978 (2020 - Nil) of the wage subsidy and has recorded it as a reduction of the salaries and benefits expense incurred.

As of December 31, 2021, the amount receivable related to CRHP is $4,978 (2020 - Nil).

5. Property and equipment

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	**650,000**	**-**	**650,000**	650,000
Building	**1,382,521**	**238,460**	**1,144,061**	1,190,237
Computer hardware	**13,837**	**4,273**	**9,564**	2,485
Computer software	**44,105**	**34,146**	**9,959**	18,780
Furniture and fixtures	**29,788**	**29,788**	**-**	5,484
	2,120,251	**306,667**	**1,813,584**	1,866,986

6. Deferred capital contributions

	2021	2020
Balance, beginning of year	**340,290**	353,466
Less: amounts recognized as revenue during the year	**13,176**	13,176
Balance, end of year	**327,114**	340,290

7. Government loan payable

The Canada Emergency Business Account ("CEBA") is a government assistance program implemented by eligible financial institutions in cooperation with Export Development Canada. The CEBA provides interest-free loans of up to $60,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced by the economic impact of the COVID-19 pandemic.

If the balance of the CEBA loan is repaid on or before December 31, 2023, it will result in forgiveness of 25% of the loan (up to $10,000). The loan will mature on December 31, 2025, at which time the balance must be paid in full.

The Organization applied for and received a $40,000 CEBA loan in 2020 and recognized the forgivable portion of $10,000 as a reduction of the salaries and benefits expense in 2020.

8. Related party transactions

The Organization received a total of $31,192 (2020 - $72,970) in donations from directors and officers.

9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk arising primarily from accounts payable and accrued liabilities. The Organization's ability to meet obligations depends on the receipt of fund from its operations and other related sources, whether in the form of revenue or advances.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk in its investments in stocks as such investments are subject to price changes in the stock markets.