



## Financial Statements

The Toronto Commandery Hospice Inc.

December 31, 2018

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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  
www.GrantThornton.ca

To the Members of  
The Toronto Commandery Hospice Inc.

## Qualified opinion

We have audited the financial statements of The Toronto Commandery Hospice Inc., which comprise the statement of financial position as at December 31, 2018, and the statements of operations and 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 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 The Toronto Commandery Hospice Inc. as at December 31, 2018, and its results of operations 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 Toronto Commandery Hospice Inc. derives revenue from fundraising activities as well as land rental revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of donation revenues and rental revenues was limited to the amounts recorded in the records of The Toronto Commandery Hospice Inc. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditure, and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017, and fund balances as at December 31, 2018 and 2017. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

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 Toronto Commandery Hospice Inc. 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

The prior year financial statements were audited by another firm of Chartered Professional Accountants, who expressed a qualified opinion on those statements on June 29, 2018.

## 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.

# Independent Auditor's Report (continued)

In preparing the financial statements, management is responsible for assessing the The Toronto Commandery Hospice Inc.'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 The Toronto Commandery Hospice Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Toronto Commandery Hospice Inc.'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 Toronto Commandery Hospice Inc.'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 Toronto Commandery Hospice Inc.'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 Toronto Commandery Hospice Inc. 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.

*Grant Thornton LLP*

Toronto, Canada  
November 13, 2019

Chartered Professional Accountants  
Licensed Public Accountants

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## The Toronto Commandery Hospice Inc.

### Statements of Operations and Changes in Net Assets

Year ended December 31	2018	2017
<b>Revenues</b>		
Donations	\$ 333,050	\$ 59,761
Interest income	12,591	13,043
Rental	6,900	21,832
	<b>352,541</b>	94,636
<b>Expenditures</b>		
Fundraising	126,275	629
Consulting fees	20,462	17,932
Property taxes	10,710	11,099
Professional fees	9,145	6,109
Office and administration	3,020	2,864
Interest and bank charges	2,563	818
Advertising and promotion	2,086	1,837
Insurance	2,014	2,025
	<b>176,275</b>	43,313
Excess of revenues over expenditures	<b>\$ 176,266</b>	\$ 51,323
<hr/>		
Net assets, beginning of year	\$ 2,954,655	\$ 2,903,332
Excess of revenues over expenditures	176,266	51,323
Net assets, end of year	<b>\$ 3,130,921</b>	\$ 2,954,655

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**The Toronto Commandery Hospice Inc.**  
**Statement of Financial Position**

December 31

2018

2017

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**Assets**

## Current

Cash	\$ 369,165	\$ 185,415
Term deposits	709,595	707,712
Accounts receivable	2,721	-
Sales tax recoverable	<u>15,663</u>	<u>3,316</u>

1,097,144 896,443

## Long-term

Property (Note 4)	<u>2,062,211</u>	<u>2,062,211</u>
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\$ 3,159,355 \$ 2,958,654

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**Liabilities**

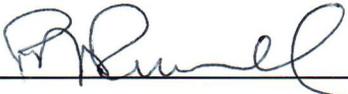
## Current

Accounts payable and accrued liabilities (Note 3)	\$ 28,434	\$ 3,999
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**Unrestricted net assets**3,130,921 2,954,655\$ 3,159,355 \$ 2,958,654

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On behalf of the Board of Directors



Member

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Member

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# The Toronto Commandery Hospice Inc.

## Statement of Cash Flows

Year ended December 31

2018

2017

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Increase (decrease) in cash

### Operating

Excess of revenues over expenditures	\$ 176,266	\$ 51,323
Change in non-cash working capital items		
Accounts receivable	(2,721)	(769)
Sales tax recoverable	(12,347)	1,359
Accounts payable and accrued liabilities	<u>24,435</u>	<u>(578)</u>
	<b>185,633</b>	51,335

### Financing

Advances to related parties	-	(5,039)
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### Investing

Purchase of term deposits	<u>(1,883)</u>	<u>(4,596)</u>
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Increase in cash **183,750** 41,700

### Cash

Beginning of year	<u>185,415</u>	<u>143,715</u>
End of year	<u>\$ 369,165</u>	<u>\$ 185,415</u>

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# The Toronto Commandery Hospice Inc.

## Notes to the Financial Statements

December 31, 2018

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### 1. Nature of operations

The Toronto Commandery Hospice Inc. (the "Organization") is incorporated without share capital under the Ontario Not-for-profit Corporations Act. The Organization is a registered charity within the meaning of the Income Tax Act (Canada) and accordingly is exempt from income taxes.

The purpose of the Organization is to provide hospice palliative care through establishing and operating a community hospice in the Toronto area.

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### 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for Not-for-profit organizations ("ASNPO"). The significant policies are detailed as follows:

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions. Externally restricted contributions are deferred and 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.

Rental income is recognized when the services are provided. Interest income is recognized as revenue in the year in which it is earned.

#### Contributed services

Volunteers contribute time to assist the Organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- Cash
- Term deposits
- Accounts receivable
- Accounts payable

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

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# The Toronto Commandery Hospice Inc.

## Notes to the Financial Statements

December 31, 2018

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### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations.

Financial instruments measured at amortized cost includes cash, term deposits, accounts receivable and accounts payable.

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in operations.

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### 3. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2017 - \$Nil).

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### 4. Subsequent event

Subsequent to year end, the Organization conditionally sold its property held for sale at 73-75 Kincort Street, Toronto, Ontario for an amount of \$2,145,000 less costs to sell including brokerage fee and site remediation. The sale is on condition of site remediation including the removal of equipment on the property and the removal of certain soil on the property. The closing date of the sale is not determinable, however the Organization anticipates closing prior to February 2020.

The subsequent sale was made with the future intent of establishing a physical location for the Organization, with ongoing discussions taking place between the Organization and West Park Healthcare Centre.

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# The Toronto Commandery Hospice Inc.

## Notes to the Financial Statements

December 31, 2018

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### 5. Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations as at December 31, 2018.

(a) Credit risk

Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. The Organization's main credit risk relates to its term deposits and accounts receivable.

(b) 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 this risk mainly in respect of its accounts payable. The Organization expects to meet these obligations as they come due by generating sufficient cash flows from operations as well as from ongoing and continued support of its donors and members.

(c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Organization is not exposed to any of these risks.