



## Financial Statements

The Toronto Commandery Hospice Inc.

December 31, 2019

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# Independent Auditor's Report

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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, 2019, 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 Toronto Commandery Hospice Inc. as at December 31, 2019, 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, 2019 and 2018, current assets as at December 31, 2019 and 2018, and fund balances as at January 1, 2019 and 2018 and December 31, 2019 and 2018.

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.

## 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 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 Toronto Commandery Hospice Inc. or to cease operations, or has no realistic

# Independent Auditor's Report (continued)

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.

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

Markham, Canada  
June 17, 2020

Chartered Professional Accountants  
Licensed Public Accountants

# The Toronto Commandery Hospice Inc.

## Statements of Operations and Changes in Net Assets

Year ended December 31	2019	2018
Revenues		
Donations	\$ 146,147	\$ 333,050
Interest income	8,627	12,591
Rental and other revenue	3,900	6,900
	158,674	352,541
Expenditures		
Fundraising	52,076	126,275
Consulting fees	19,879	20,462
Professional fees	15,979	9,145
Advertising and promotion	8,022	2,086
Property taxes	7,938	10,710
Insurance	1,938	2,014
Office and administration	1,207	3,020
Interest and bank charges	396	2,563
	107,435	176,275
Excess of revenues over expenditures before other expense	51,239	176,266
Other expense		
Impairment of property held for sale (Note 4)	186,467	-
(Deficiency) excess of revenues over expenditures	\$ (135,228)	\$ 176,266
<hr style="border: 1px solid black;"/>		
Net assets, beginning of year	\$ 3,130,921	\$ 2,954,655
(Deficiency) excess of revenues over expenditures	(135,228)	176,266
Net assets, end of year	\$ 2,995,693	\$ 3,130,921

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# The Toronto Commandery Hospice Inc.

## Statement of Financial Position

December 31

2019

2018

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### Assets

#### Current

Cash	\$ 1,110,516	\$ 369,165
Term deposits	-	709,595
Accounts receivable	-	2,721
Sales tax recoverable	21,061	15,663
Property held for sale (Note 4)	<u>2,025,335</u>	<u>-</u>

3,156,912 1,097,144

Property (Note 4)

- 2,062,211

\$ 3,156,912 \$ 3,159,355

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### Liabilities

#### Current

Accounts payable and accrued liabilities (Note 3)	\$ 161,219	\$ 28,434
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#### Unrestricted net assets

2,995,693 3,130,921

\$ 3,156,912 \$ 3,159,355

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Subsequent events (Note 6)

On behalf of the Board of Directors

\_\_\_\_\_ Member

\_\_\_\_\_ Member

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## The Toronto Commandery Hospice Inc.

### Statement of Cash Flows

Year ended December 31

2019

2018

Increase (decrease) in cash

#### Operating

(Deficiency) excess of revenues over expenditures	\$ (135,228)	\$ 176,266
Item not affecting cash		
Impairment of property held for sale	<u>186,467</u>	<u>-</u>
	<b>51,239</b>	176,266
Change in non-cash working capital items		
Accounts receivable	2,721	(2,721)
Sales tax recoverable	(5,398)	(12,347)
Accounts payable and accrued liabilities	<u>132,785</u>	<u>24,435</u>
	<u>181,347</u>	<u>185,633</u>

#### Investing

Purchase of property held for sale	(149,591)	-
Maturity (purchase) of term deposits	<u>709,595</u>	<u>(1,883)</u>
	<u>560,004</u>	<u>(1,883)</u>

Increase in cash

741,351      183,750

Cash

Beginning of year	<u>369,165</u>	<u>185,415</u>
End of year	<u>\$ 1,110,516</u>	<u>\$ 369,165</u>

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# The Toronto Commandery Hospice Inc.

## Notes to the Financial Statements

December 31, 2019

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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.

#### Property held for sale

Properties are classified as held for sale when:

- management commits to a plan to sell;
- they are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets;
- an active program to locate a buyer and other actions required to complete the sale plan have been initiated;
- the sale is probable, and is expected to qualify for recognition as a completed sale within one year;
- they are being actively marketed for sale at a price that is reasonable in relation to their current fair values; and
- actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Properties held for sale are measured at the lower of their carrying amounts or fair values less cost to sell.

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# The Toronto Commandery Hospice Inc.

## Notes to the Financial Statements

December 31, 2019

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### 2. Significant accounting policies (continued)

#### 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.

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.

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.

#### Government assistance

The Organization recognizes government assistance toward current expenses in the statement of operations. Included in property taxes expense a recovery in the amount of \$3,900 (2018 - \$Nil) from the City of Toronto.

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### 3. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2018 - \$Nil).

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# The Toronto Commandery Hospice Inc.

## Notes to the Financial Statements

December 31, 2019

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#### 4. Property held for sale

In 2019, the Organization conditionally sold its property at 73-75 Kincort Street, Toronto, Ontario for an amount of \$2,145,000. The sale remains conditional on completion of soil testing by the purchaser. The closing date of the sale has been extended to September 2020 to facilitate the testing. Management estimates that the sale will close by the extension time frame.

Given that the property is held for conditional sale as at December 31, 2019, the property is accounted for at fair value less costs to sell, which includes estimated brokerage fees, legal fees and site remediation costs. Accounting for the property net of costs to sell in fiscal 2019 resulted in an impairment of \$186,467 (2018 - \$Nil), which is recognized in other expenses.

The 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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#### 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, 2019.

(a) Credit risk

Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. The Organization does not have significant credit risk as at December 31, 2019.

(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.

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# The Toronto Commandery Hospice Inc.

## Notes to the Financial Statements

December 31, 2019

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### 6. Subsequent events

Since January 1, 2020, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite 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 organizations 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.

The Organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. 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 Organization for future periods.

Subsequent to year end, the Organization was granted permission from the CRA to accumulate capital up to an amount of \$10,000,000 for a five year period ending December 31, 2024. During this period of time, the Organization is excluded from the disbursement quota calculation.