

THE TORONTO COMMANDERY HOSPICE INC.

(a not-for-profit corporation registered in Ontario)

Financial Statements

Year Ended December 31,2011

THE TORONTO COMMANDERY HOSPICE INC.

(a not-for-profit corporation registered in Ontario)

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Year Ended December 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Toronto Commandery Hospice Inc.

We have audited the accompanying financial statements of The Toronto Commandery Hospice Inc., a not-for-profit corporation registered in Ontario, which comprise the statement of financial position as at December 31, 2011, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

(continues)

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Independent Auditor's Report to the Members of The Toronto Commandery Hospice Inc. *(continued)*

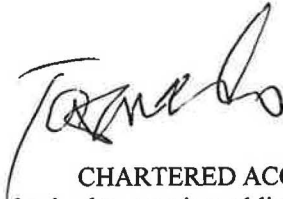
Basis for Qualified Opinion

In common with many charitable organizations, the company derives revenue from contributions the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the company and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of The Toronto Commandery Hospice Inc., a not-for-profit corporation registered in Ontario, as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 20, 2012


CHARTERED ACCOUNTANTS
Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

THE TORONTO COMMANDERY HOSPICE INC.

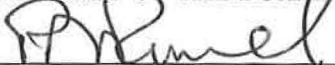
(a not-for-profit corporation registered in Ontario)

Statement of Financial Position

December 31, 2011

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 101,592	\$ 338,415
Short term investments <i>(Note 3)</i>	300,000	-
GST/HST Recoverable	542	1,239
	<u>\$ 402,134</u>	<u>\$ 339,654</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accrued liabilities	\$ 2,729	\$ 2,729
NET ASSETS		
General fund	-	-
Internally restricted for community hospice	399,405	336,925
	<u>\$ 402,134</u>	<u>\$ 339,654</u>

ON BEHALF OF THE BOARD

 Director

Director

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.*(a not-for-profit corporation registered in Ontario)***Statement of Revenues and Expenditures****Year Ended December 31, 2011**

	2011	2010
REVENUE		
Eligible amount of tax receipted gifts	\$ 9,983	\$ 96,073
Amounts from other charities	60,000	60,789
Revenue from fundraising	-	12,245
Non-tax receipted gifts	1,553	12,349
	<u>71,536</u>	<u>181,456</u>
EXPENSES		
Professional fees	4,352	2,947
Advertising and promotion	2,139	-
Insurance	1,002	973
Interest and bank charges	919	1,347
Office	464	314
Memberships	180	160
Exceptional Canadians event	-	25,226
	<u>9,056</u>	<u>30,967</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 62,480</u>	<u>\$ 150,489</u>

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.*(a not-for-profit corporation registered in Ontario)***Statement of Changes in Net Assets****Year Ended December 31, 2011**

	General Fund	Internally Restricted for Community Hospice	2011	2010
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 336,925	\$ 336,925	\$ 186,436
Excess of revenue over expenses	-	62,480	62,480	150,489
NET ASSETS - END OF YEAR	\$ -	\$ 399,405	\$ 399,405	\$ 336,925

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.*(a not-for-profit corporation registered in Ontario)***Statement of Cash Flows****Year Ended December 31, 2011**

	2011	2010
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 62,480	\$ 150,489
Changes in non-cash working capital:		
Accounts receivable	-	1,521
Accrued liabilities	-	130
GST/HST payable (receivable)	697	(639)
	697	1,012
Cash flow from operating activities	63,177	151,501
INVESTING ACTIVITY		
Short term investments	(300,000)	-
INCREASE (DECREASE) IN CASH FLOW	(236,823)	151,501
Cash - beginning of year	338,415	186,914
CASH - END OF YEAR	\$ 101,592	\$ 338,415

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.

(a not-for-profit corporation registered in Ontario)

Notes to Financial Statements

Year Ended December 31, 2011

1. DESCRIPTION OF OPERATIONS

The Toronto Commandery Hospice Inc (Organization) was incorporated on May 25, 2006. The Organization was inactive until it was registered as a charitable organization under the Income Tax Act on January 1, 2007. The purpose of the Organization is to provide palliative and hospice care through establishing and operating a community hospice in north Toronto area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Organization follows 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 collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

The activities of the Organization were carried out by volunteers without compensation in the current fiscal year. The value of such service is not recognized in the financial statements.

Short term investments

Short term investments are stated at the lower of cost and market.

3. SHORT TERM INVESTMENTS

The balance consists of an one year cashable GIC with interest rate of 1.25% per annum and matures on December 6, 2012.

4. GOVERNMENT FUNDING

Ontario ministry of Health and Long Term Care has approved annual grant of approximately \$900,000 in support for the operation of the hospice. The government funding is contingent upon the number of patients at any given time up to a maximum of 10 palliative care beds. The funding is available upon the opening of the hospice facility.

5. NET ASSETS INTERNALLY RESTRICTED FOR COMMUNITY HOSPICE

The Organization plans to accumulate \$8.3 million during the ten-year period from January 1, 2007 to December 31, 2016 to fund a non-profit community hospice in the north Toronto area. The property accumulated in the year will be deemed by the Charities Directorate as the amount spent on charitable activities carried on by the Organization in the year.
