



The Toronto Commandery

HOSPICE

The Toronto Commandery Hospice Inc.
(a not-for-profit corporation registered in Ontario)

Financial Statements

Year Ended December 31, 2013

THE TORONTO COMMANDERY HOSPICE INC.

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

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Tavana & Co. Professional Corporation

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of The Toronto Commandery Hospice Inc. (a not-for-profit corporation registered in Ontario)

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, 2013 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 accounting standards for not-for-profit, 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.

(continues)

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Independent Auditor's Report to the Members of The Toronto Commandery Hospice Inc. (a not-for-profit corporation registered in Ontario) *(continued)*

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.


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, 2013 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
May 30, 2014


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, 2013

	<i>December 31</i> 2013	<i>December 31</i> 2012
ASSETS		
CURRENT		
Cash	\$ 47,286	\$ 508,255
Short term investment	500,000	-
Sales tax recoverable	857	3,251
	<u>548,143</u>	<u>511,506</u>
Development	14,786	14,786
	<u>\$ 562,929</u>	<u>\$ 526,292</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accrued liabilities	\$ 3,542	\$ 9,116
Due to director	5,039	5,039
	<u>8,581</u>	<u>14,155</u>
NET ASSETS		
General fund	-	-
Internally restricted for community hospice	554,348	512,137
	<u>\$ 562,929</u>	<u>\$ 526,292</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, 2013

	2013	2012
REVENUE		
Eligible amount of tax receipted gifts	\$ 52,484	\$ 26,525
Non-tax receipted gifts	775	10,447
Amounts from other charities	100	61,594
Revenue from fundraising	-	44,033
	<u>53,359</u>	<u>142,599</u>
EXPENDITURES		
Consulting fees	5,323	1,600
Professional fees	3,282	2,900
Office	1,201	421
Insurance	1,072	1,052
Advertising and promotion	447	950
Interest and bank charges	271	2,225
Memberships	200	210
Exceptional Canadians event	-	22,533
	<u>11,796</u>	<u>31,891</u>
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	41,563	110,708
OTHER INCOME	648	2,024
EXCESS OF REVENUE OVER EXPENDITURES	\$ 42,211	\$ 112,732

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.

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Statement of Changes in Net Assets

Year Ended December 31, 2013

	General Fund	Internally Restricted for Community Hospice	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 512,137	\$ 512,137	\$ 399,405
Excess of revenue over expenditures	-	42,211	42,211	112,732
NET ASSETS - END OF YEAR	\$ -	\$ 554,348	\$ 554,348	\$ 512,137

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, 2013**

	2013	2012
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 42,211	\$ 112,732
Changes in non-cash working capital:		
Accrued liabilities	(5,574)	6,387
Sales tax	2,394	(2,709)
	(3,180)	3,678
Cash flow from operating activities	39,031	116,410
INVESTING ACTIVITIES		
Development	-	(14,786)
Short term investment	(500,000)	300,000
Cash flow from (used by) investing activities	(500,000)	285,214
FINANCING ACTIVITY		
Advances from (to) director	-	5,039
INCREASE (DECREASE) IN CASH FLOW	(460,969)	406,663
Cash - beginning of year	508,255	101,592
CASH - END OF YEAR	\$ 47,286	\$ 508,255

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.

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Notes to Financial Statements

Year Ended December 31, 2013

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.

Accounting estimates

The preparation of financial statements in conformity with Accounting Standards for Not-for-Profit Organization requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Financial instruments policy

Investments are recorded at fair value at each financial position date and any change in fair value is recognized in investment income in the current year. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. When use of the effective interest method does not result in any material difference in valuation, financial assets and financial liabilities are reported at cost.

3. FINANCIAL INSTRUMENTS

It is management's opinion that in light of the straightforward nature of the organization's operations, and the policies to manage risk that are in place, organization's exposure to credit, currency, interest, liquidity, market, and other price risks arising from these financial instruments is immaterial. Accordingly, the supplemental disclosure that would otherwise be required has not been provided.

4. GOVERNMENT FUNDING

Ontario ministry of Health and Long Term Care has approved annual grant of approximately \$800,000 in support for the operation of the hospice. The government funding is dependent 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.

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Notes to Financial Statements

Year Ended December 31, 2013

5. NET ASSETS INTERNALLY RESTRICTED FOR COMMUNITY HOSPICE

The Organization has a plan to accumulate \$6.3 million by December 31, 2016 to build and operate a hospice.

During 2012, the Organization received a pledge to donate a parcel of land to build a hospice. During 2013, the severance of the land was completed. The Organization took title of the land in the beginning of 2014 and is trying to obtain a permit from the city to build a hospice. The city's by-laws do not currently allow a hospice to be built on the land.
