

THE TORONTO COMMANDERY HOSPICE INC.
(a not-for-profit corporation registered in Ontario)
Financial Statements
Year Ended December 31, 2016

THE TORONTO COMMANDERY HOSPICE INC.

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

Index to Financial Statements

Year Ended December 31, 2016

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 9



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, 2016 and the statements of operations, changes in net assets and cash flow 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 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.

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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 organization derives revenue from (donations and fund raising) 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 organization 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, the 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, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

FTSP Professional Corporation

Toronto, Ontario
June 25, 2017

FTSP PROFESSIONAL CORPORATION

Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario



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THE TORONTO COMMANDERY HOSPICE INC.
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Statement of Financial Position

December 31, 2016

	<i>December 31</i> 2016	<i>December 31</i> 2015
ASSETS		
CURRENT		
Cash	\$ 143,715	\$ 139,630
Term deposits	703,116	703,116
Accounts receivable	1,200	3,054
Harmonized sales tax recoverable	<u>2,706</u>	<u>1,454</u>
	850,737	847,254
LAND UNDER DEVELOPMENT	<u>2,062,211</u>	<u>2,045,601</u>
	<u>\$ 2,912,948</u>	<u>\$ 2,892,855</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,578	\$ 18,738
Due to related parties	<u>5,039</u>	<u>5,039</u>
	9,617	23,777
NET ASSETS		
General fund	<u>2,903,331</u>	<u>2,869,078</u>
	<u>\$ 2,912,948</u>	<u>\$ 2,892,855</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.
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Statement of Operations
Year Ended December 31, 2016

	2016	2015
REVENUES		
Donations and contributions	\$ 44,997	\$ 12,814
Rental	18,978	26,766
Interest and other income	8,020	11,767
Grants	-	200
	<u>71,995</u>	<u>51,547</u>
EXPENSES		
Property taxes	15,488	24,746
Consulting fees	10,446	26,448
Professional fees	5,222	4,528
Office and general	4,064	3,120
Insurance	1,921	1,882
Interest and bank charges	471	1,375
Advertising and promotion	130	1,347
	<u>37,742</u>	<u>63,446</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 34,253</u>	<u>\$ (11,899)</u>

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, 2016

	General Fund	Restricted Fund	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 2,869,078	\$ -	\$ 2,869,078	\$ 2,880,978
Excess of revenues over expenses	<u>34,253</u>	-	34,253	(11,899)
NET ASSETS - END OF YEAR	\$ 2,903,331	\$ -	\$ 2,903,331	\$ 2,869,079

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.
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Statement of Cash Flow
Year Ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 34,253	\$ (11,899)
Changes in non-cash working capital:		
Accounts receivable	1,854	(3,054)
Accrued liabilities	(14,160)	8,203
Harmonized sales tax payable	(1,252)	(264)
	(13,558)	4,885
Cash flow from (used by) operating activities	20,695	(7,014)
INVESTING ACTIVITY		
Development	(16,610)	(10,572)
INCREASE (DECREASE) IN CASH FLOW	4,085	(17,586)
Cash - beginning of year	842,746	860,332
CASH - END OF YEAR	\$ 846,831	\$ 842,746
CASH CONSISTS OF:		
Cash	\$ 143,715	\$ 139,630
Term deposits	703,116	703,116
	\$ 846,831	\$ 842,746

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.

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Notes to Financial Statements

Year Ended December 31, 2016

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 hospice palliative care through establishing and operating a community hospice in north Toronto area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Revenue Recognition

The Organization follows the deferral method of accounting for contributions, which include support from the public and government.

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. 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.

Other revenues such as rental income are recognized when the goods/services are provided.

Contributed services

The organization would not be able to carry out its administrative activities without the services of volunteers who donate a considerable number of hours. Due to the difficulty in determining their fair value, the value of contributed services is not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and investments maturing in less than 90 days. As at December 31, 2016 there were no cash equivalents.

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THE TORONTO COMMANDERY HOSPICE INC.

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Notes to Financial Statements

Year Ended December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

(i) Measurement of financial instruments

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. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

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

Financial assets measured at amortized cost includes cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

Cash flows

The organization uses the indirect method of reporting cash flows from operating activities.

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, 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.

THE TORONTO COMMANDERY HOSPICE INC.

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Notes to Financial Statements

Year Ended December 31, 2016

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at December 31, 2016.

(a) Credit Risk

Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. The organization routinely assesses the financial strength of its rental customers and , as a consequence, believes that its accounts receivable credit risk exposure is limited.

(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 and accrued liabilities. 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 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 risk.

4. SUBSEQUENT EVENT

An agreement is in process to have the hospice relocate to the campus of the West Park Healthcare Centre.
