



The Toronto Commandery

HOSPICE

THE TORONTO COMMANDERY HOSPICE INC.

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

Financial Statements

Year Ended December 31, 2012

THE TORONTO COMMANDERY HOSPICE INC.

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

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Year Ended December 31, 2012

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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)

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, 2012 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.

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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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, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Comparative Information

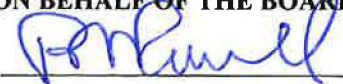
Without modifying our opinion, we draw attention to {N#} to the financial statements which describes that The Toronto Commandery Hospice Inc., a not-for-profit corporation registered in Ontario, adopted Canadian accounting standards for not-for-profit on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial positions as at December 31, 2011 and January 1, 2011 and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Toronto, Ontario
May 10, 2013


CHARTERED ACCOUNTANTS
Licensed Public Accountants

THE TORONTO COMMANDERY HOSPICE INC.*(a not-for-profit corporation registered in Ontario)***Statement of Financial Position****December 31, 2012**

	<i>December 31</i> 2012	<i>December 31</i> 2011	<i>January 1</i> 2011
ASSETS			
CURRENT			
Cash	\$ 508,255	\$ 101,592	\$ 338,415
Short term investment	-	300,000	-
Sales tax recoverable	3,251	542	1,239
	511,506	402,134	339,654
Development	14,786	-	-
	\$ 526,292	\$ 402,134	\$ 339,654
LIABILITIES AND NET ASSETS			
CURRENT			
Accrued liabilities	\$ 9,116	\$ 2,729	\$ 2,729
Due to director	5,039	-	-
	14,155	2,729	2,729
NET ASSETS			
General fund	-	-	-
Internally restricted for community hospice	512,137	399,405	336,925
	\$ 526,292	\$ 402,134	\$ 339,654

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, 2012**

	2012	2011
REVENUE		
Amounts from other charities	\$ 61,594	\$ 60,000
Revenue from fundraising	45,383	700
Eligible amount of tax receipted gifts	26,525	9,283
Non-tax receipted gifts	9,097	1,553
	<u>142,599</u>	<u>71,536</u>
EXPENDITURES		
Exceptional Canadians event	22,533	-
Professional fees	2,900	4,352
Interest and bank charges	2,225	919
Consulting fees	1,600	-
Insurance	1,052	1,002
Advertising and promotion	950	2,139
Office	421	464
Memberships	210	180
	<u>31,891</u>	<u>9,056</u>
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	110,708	62,480
OTHER INCOME	2,024	-
EXCESS OF REVENUE OVER EXPENDITURES	\$ 112,732	\$ 62,480

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Statement of Changes in Net Assets

Year Ended December 31, 2012

	General Fund	Internally Restricted for Community Hospice	2012	2011
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 399,405	\$ 399,405	\$ 336,925
Excess of revenue over expenditures	-	112,732	112,732	62,480
NET ASSETS - END OF YEAR	\$ -	\$ 512,137	\$ 512,137	\$ 399,405

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, 2012**

	2012	2011
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 112,732	\$ 62,480
Changes in non-cash working capital:		
Accrued liabilities	6,387	-
Sales tax	(2,709)	697
	3,678	697
Cash flow from operating activities	116,410	63,177
INVESTING ACTIVITIES		
Development	(14,786)	-
Short term investments	300,000	(300,000)
Cash flow from (used by) investing activities	285,214	(300,000)
FINANCING ACTIVITY		
Advances from related parties	5,039	-
INCREASE (DECREASE) IN CASH FLOW	406,663	(236,823)
Cash - beginning of year	101,592	338,415
CASH - END OF YEAR	\$ 508,255	\$ 101,592

See accompanying notes to the financial statements

THE TORONTO COMMANDERY HOSPICE INC.

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Notes to Financial Statements

Year Ended December 31, 2012

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.

3. FINANCIAL INSTRUMENTS

The fair value of cash and accrued liabilities approximate their carrying amount because of the short-term nature of these 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.

5. NET ASSETS INTERNALLY RESTRICTED FOR COMMUNITY HOSPICE

During 2012, the Organization received a pledge to donate a parcel of land to build a hospice. The severance of the land will take place once zoning is cleared with the city of Toronto. Currently the city by-laws do not allow a hospice to be built in the land pledged. It is expected that the issue with zoning would be cleared by mid 2013.

Once the land to be donated, the Organization has a plan to accumulate \$6.3 million by December 31, 2016 to build and operate the hospice.

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Notes to Financial Statements

Year Ended December 31, 2012

6. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2012, the hospice adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit (ASNPO). These are the company's first financial statements prepared in accordance with ASNPO which has been applied retrospectively. The accounting policies set out in the above significant accounting policy note have been applied in preparing these financial statements for the year ended December 31, 2012, the comparative information presented in these financial statements for the year ended December 31, 2011 and in the preparation of an opening ASNPO balance sheet at January 1, 2011 (the company's date of transition).

The adoption of ASNPO had no impact on the previously reported assets, liabilities and equity of the company, and accordingly; no adjustments have been recorded in the comparative statement of financial position, statement of revenues and expenditures, statement of changes in net assets and the statement of cash flows. Certain of the company's disclosures included in these financial statements reflect the new disclosure requirement of ASNPO.
