

THE TORONTO COMMANDERY FOUNDATION INC.

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

Financial Statements

Year Ended December 31, 2011

THE TORONTO COMMANDERY FOUNDATION 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 Foundation Inc. (a not-for-profit corporation registered in Ontario)

We have audited the accompanying financial statements of The Toronto Commandery Foundation 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 Foundation Inc. (a not-for-profit corporation registered in Ontario) *(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 Foundation Inc., a non-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
June 12, 2012


CHARTERED ACCOUNTANTS
Licensed Public Accountants

THE TORONTO COMMANDERY FOUNDATION INC.

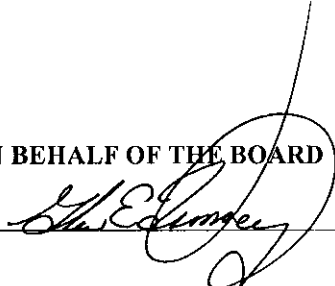
(a not-for-profit corporation registered in Ontario)

Statement of Financial Position

December 31, 2011

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 52,068	\$ 86,445
Guaranteed investment certificate (Note 3)	287,734	300,885
Sales tax recoverable	247	93
	<u>\$ 340,049</u>	<u>\$ 387,423</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accrued liabilities	\$ 1,700	\$ 1,700
NET ASSETS		
Unrestricted	-	-
Internally restricted for community hospice (Note 4)	338,349	385,723
	<u>\$ 340,049</u>	<u>\$ 387,423</u>

ON BEHALF OF THE BOARD



Director

See accompanying notes to the financial statements

THE TORONTO COMMANDERY FOUNDATION INC.

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

Statement of Revenues and Expenditures

Year Ended December 31, 2011

	2011	2010
REVENUE		
Interest Income	\$ 3,005	\$ 1,771
Eligible amount of tax receipted gift	1,500	2,000
Amounts received from other registered charities	-	29,737
	<u>4,505</u>	<u>33,508</u>
EXPENDITURES		
Donations	50,000	50,000
Professional fees	1,767	1,965
Interest and bank charges	112	68
	<u>51,879</u>	<u>52,033</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	<u>\$ (47,374)</u>	<u>\$ (18,525)</u>

See accompanying notes to the financial statements

THE TORONTO COMMANDERY FOUNDATION INC.

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Statement of Changes in Net Assets

Year Ended December 31, 2011

	Unrestricted Fund	Internally Restricted for Community Hospice	2011	2010
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 385,723	\$ 385,723	\$ 404,248
Deficiency of revenue over expenditures	-	(47,374)	(47,374)	(18,525)
NET ASSETS - END OF YEAR	\$ -	\$ 338,349	\$ 338,349	\$ 385,723

See accompanying notes to the financial statements

THE TORONTO COMMANDERY FOUNDATION INC.

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Statement of Cash Flows

Year Ended December 31, 2011

	2011	2010
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	<u>\$ (47,374)</u>	<u>\$ (18,525)</u>
Changes in non-cash working capital:		
Accrued liabilities	-	200
Sales tax recoverable	<u>(154)</u>	<u>(93)</u>
	<u>(154)</u>	107
Cash flow used by operating activities	<u>(47,528)</u>	<u>(18,418)</u>
INVESTING ACTIVITY		
Guaranteed investment certificate	<u>13,151</u>	74,115
INCREASE (DECREASE) IN CASH FLOW	(34,377)	55,697
Cash - beginning of year	<u>86,445</u>	<u>30,748</u>
CASH - END OF YEAR	<u>\$ 52,068</u>	<u>\$ 86,445</u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ (3,005)</u>	<u>\$ (1,771)</u>
Interest paid	<u>\$ 112</u>	<u>\$ 68</u>

See accompanying notes to the financial statements

THE TORONTO COMMANDERY FOUNDATION INC.

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Notes to Financial Statements

Year Ended December 31, 2011

1. DESCRIPTION OF OPERATIONS

The Toronto Commandery Foundation Inc (Foundation) was incorporated on February 2, 2004 and became a registered charity as a public foundation under the Income Tax Act on June 29, 2004. The purpose of the Foundation is to raise charitable funds to support palliative care and hospice care within the community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted and internally restricted contributions are recognized as revenue of the fund 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 increase in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributed Services

The activities of the Foundation is carried out by volunteers without compensation. The value of such service is not recognized in the financial statements.

3. Guaranteed Investment Certificate

	<u>2011</u>	<u>2010</u>
RBC One Year Cashable GIC is maturing on December 15, 2012 earning interest at a rate of 0.9%	\$ 85,138	\$ 100,295
RBC One Year Cashable GIC is maturing on December 17, 2012 earning interest at a rate of 0.9%	<u>202,596</u>	<u>200,590</u>
	<u>\$ 287,734</u>	<u>\$ 300,885</u>

4. NET ASSETS INTERNALLY RESTRICTED FOR COMMUNITY HOSPICE

The Foundation plans to accumulate \$2 million during the seven-year period from January 1, 2005 to December 31, 2018 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 Foundation in the year.

5. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, Guaranteed Investment Certificate and accrued liability. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.
