

**THE TORONTO COMMANDERY FOUNDATION INC.**

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

**Financial Statements**

**Year Ended December 31, 2012**

**THE TORONTO COMMANDERY FOUNDATION 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**

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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, 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)*

### 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 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 Foundation 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  
June 10, 2013

  
CHARTERED ACCOUNTANTS  
Licensed Public Accountants

**THE TORONTO COMMANDERY FOUNDATION INC.**  
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**Statement of Financial Position**

**December 31, 2012**

	<i>December 31</i> <b>2012</b>	<i>December 31</i> <b>2011</b>	<i>January 1</i> <b>2011</b>
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 14,943	\$ 52,068	\$ 86,445
Guaranteed investment certificate <i>(Note 3)</i>	290,334	287,734	300,885
Harmonized sales tax recoverable	401	247	93
	<u>\$ 305,678</u>	<u>\$ 340,049</u>	<u>\$ 387,423</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accrued liabilities	\$ 1,801	\$ 1,701	\$ 1,700
<b>NET ASSETS</b>			
Unrestricted	-	-	-
Internally restricted for community hospice <i>(Note 4)</i>	303,877	338,348	385,723
	<u>\$ 305,678</u>	<u>\$ 340,049</u>	<u>\$ 387,423</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

See accompanying notes to the financial statements

**THE TORONTO COMMANDERY FOUNDATION INC.**  
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**Statement of Revenues and Expenditures**

**Year Ended December 31, 2012**

	<b>2012</b>	<b>2011</b>
<b>REVENUE</b>		
Amounts received from other registered charities	\$ 24,865	\$ -
Interest Income	2,600	3,005
Eligible amount of tax receipted gift	-	1,500
	<u>27,465</u>	<u>4,505</u>
<b>EXPENDITURES</b>		
Donations	59,944	50,000
Professional fees	1,867	1,767
Interest and bank charges	125	112
	<u>61,936</u>	<u>51,879</u>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	<b>\$ (34,471)</b>	<b>\$ (47,374)</b>

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, 2012**

	Unrestricted Fund	Internally Restricted for Community Hospice	2012	2011
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ -	\$ 338,348	\$ 338,348	\$ 385,722
Deficiency of revenue over expenditures	-	(34,471)	<b>(34,471)</b>	<b>(47,374)</b>
<b>NET ASSETS - END OF YEAR</b>	\$ -	\$ 303,877	\$ 303,877	\$ 338,348

See accompanying notes to the financial statements

**THE TORONTO COMMANDERY FOUNDATION INC.**  
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**Statement of Cash Flows**  
**Year Ended December 31, 2012**

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenditures	\$ (34,471)	\$ (47,374)
Changes in non-cash working capital:		
Accrued liabilities	100	-
Harmonized sales tax recoverable	(154)	(154)
	<u>(54)</u>	<u>(154)</u>
Cash flow used by operating activities	<u>(34,525)</u>	<u>(47,528)</u>
<b>INVESTING ACTIVITY</b>		
Guaranteed investment certificate	<u>(2,600)</u>	13,151
<b>DECREASE IN CASH FLOW</b>	<b>(37,125)</b>	<b>(34,377)</b>
Cash - beginning of year	<u>52,068</u>	<u>86,445</u>
<b>CASH - END OF YEAR</b>	<b>\$ 14,943</b>	<b>\$ 52,068</b>

See accompanying notes to the financial statements



**THE TORONTO COMMANDERY FOUNDATION INC.**  
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**Notes to Financial Statements**

**Year Ended December 31, 2012**

**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.

Accounting estimates

The preparation of financial statements in conformity with Accounting Standards for Not-for-Profit Organization and 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.

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**

	2012	2011
RBC 18 month non-redeemable GIC is maturing on June 18, 2014 earning interest at a rate of 1.6%	\$ 85,904	\$ 85,138
RBC 18 month non-redeemable GIC is maturing on June 18, 2014 earning interest at a rate of 1.6%	204,430	202,596
	\$ 290,334	\$ 287,734

**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.

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**Notes to Financial Statements**

**Year Ended December 31, 2012**

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**5. FINANCIAL INSTRUMENTS**

The Foundation's financial instruments consist of cash, guaranteed investment certificates and accrued liabilities. The use of the effective interest method did not result in any material difference in the calculation of accrued liabilities and as such they are reported at cost rather than at amortized cost.

It is management's opinion that in light of the straightforward nature of the Foundation's operations, and the policies to manage risk that are in place, Foundation'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.

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**6. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

Effective January 1, 2012, the Foundation 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 Foundation'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 foundation's date of transition).

The adoption of ASNPO had no impact on the previously reported assets, liabilities and equity of the Foundation, 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 Foundation's disclosures included in these financial statements reflect the new disclosure requirement of ASNPO.

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