

WELLWOOD RESOURCE CENTRE OF HAMILTON

FINANCIAL STATEMENTS

MARCH 31, 2016

From the President and Executive Director



Wellwood

Dear Friends:

In the twenty years since Wellwood was incorporated, we continue to experience phenomenal growth, which is always conducted in ways that are respectful, consultative and thoughtful. We remain deeply committed to creating an inclusive, safe and barrier-free space and our community site now hums with activity – days, evenings and, now, even on weekends. This past year, we have been strategically focused on meeting the increasing needs of young people. Supporting our unique and diverse communities within greater Hamilton as we collectively work to better meet the needs of those living with cancer is a key priority for the coming year.

As we all know too well, these are challenging times for charities. Our sector is always deeply affected in periods of economic crisis, and all not-for-profits in Canada are feeling the pressure. This year, not surprisingly, we encountered some hurdles with regard to a decrease in revenues and a predicted dip in our investment portfolio. It is prudent for us to be cautious, but – at the same time – we are confident that our approach to managing finances remains conscientious and reflective of our organizational values.

A large part of Wellwood's ability to remain sustainable – regardless of the financial climate – is because every one

of our programs is delivered by experienced, trained volunteers. There are almost 300 people who donate their time and talents here, making our operational costs very low. Because we are accredited through Imagine Canada's rigorous new standards program, you can also be assured that our ethical, transparent fundraising practices make us responsible custodians of your donor dollars. In March, we hired Tracey Warren, a former volunteer, to develop a comprehensive fundraising program for Wellwood. This further demonstrates the Board's commitment to ensuring we build on a solid financial foundation as we secure the future long-term strength and viability of the organization.

Whether you donate your time, talents or treasure, the value of your contribution is truly immeasurable – because you make our work possible.

With sincere thanks,

Renee Wetselaar
President

K. Jane George
Executive Director

Financial Notes and Appreciation



As a registered charity, Wellwood depends entirely on donations, grants and funds raised through special events to continue to provide all of our services absolutely free of charge to everyone affected by cancer.

Our detailed audited financial statements are readily available on our website. Visit www.wellwood.on.ca and select *About Us*, then click on the link to view the past seven years of reports. There, you can also see previous Reports to the Community and Board policies, as well as make an online donation.

This has been a tumultuous year for the not-for-profit sector, and many charities are struggling. As mentioned in the note from our President and Executive Director, Wellwood's financial sustainability

is largely due to the gift of time and talent provided by our team of almost 300 volunteers, which keeps staffing costs to an absolute minimum. The solid foundation is also the result of an endowment fund that is invested in its entirety and was created to generate revenue on an annual basis to support operating costs.

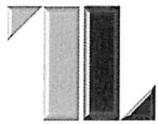
Wellwood is committed to transparency and privacy. Our accreditation through Imagine Canada's rigorous Standards Program for demonstrated excellence in fundraising practices is a source of great pride to us, given the relatively small size of our organization in comparison with others who share this designation.



Wellwood

“Wellwood is a *sound financial investment* because they are community-based with a reputable, credible Board of Directors... They manage the property and material resources, as well as volunteers and staff, in a sound, *responsible* way that doesn't put financial resources at risk.”

Linda Learn & Albert Graham – Volunteers and Donors



TAYLOR LEIBOW LLP
ACCOUNTANTS AND ADVISORS

AN INDEPENDENT MEMBER OF DFK INTERNATIONAL

HAMILTON OFFICE
EFFORT SQUARE
7TH FLOOR
105 MAIN STREET EAST
HAMILTON, ONTARIO
L8N 1G6

BURLINGTON OFFICE
THE TAYLOR LEIBOW BUILDING
SUITE 103
3410 SOUTH SERVICE RD.
BURLINGTON, ONTARIO
L7N 3T2

TEL.: (905) 523-0000
FAX: (905) 523-4681

TEL.: (905) 637-9959
FAX: (905) 637-3195

WEBSITE: WWW.TAYLORLEIBOW.COM

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Wellwood Resource Centre of Hamilton:

Report on the Financial Statements

We have audited the accompanying financial statements of Wellwood Resource Centre of Hamilton, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in fund balances 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

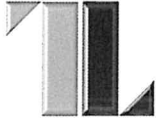
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Organization'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 Organization'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 audit opinion.



TAYLOR LEIBOW^{LLP}
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INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Wellwood Resource Centre of Hamilton as at March 31, 2016, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Taylor Leibow LLP

CHARTERED ACCOUNTANTS
Licensed Public Accountants

Hamilton, Ontario
June 28, 2016

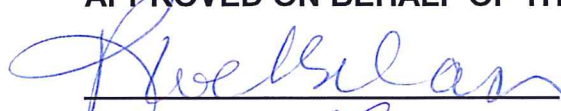
WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF FINANCIAL POSITION

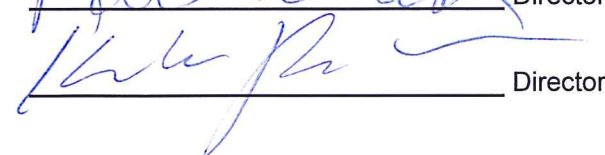
As at March 31

	2016	2015
	\$	\$
ASSETS		
CURRENT		
Cash	5,184	12,103
Short-term investments	2,223,210	2,430,513
Accounts receivable	5,376	9,454
Inventories	464	873
Prepaid expenses and deposits	6,694	6,683
	2,240,928	2,459,626
CAPITAL ASSETS (Note 3)	1,281,963	1,317,404
INCORPORATION COSTS	-	684
	3,522,891	3,777,714
LIABILITIES		
CURRENT		
Accounts payable (Note 4)	23,848	30,743
DEFERRED CONTRIBUTIONS (Note 5)	9,356	9,200
	33,204	39,943
FUND BALANCES		
INVESTED IN CAPITAL ASSETS	1,281,963	1,317,404
EXTERNALLY RESTRICTED (Note 6)	2,004,850	2,004,850
UNRESTRICTED	202,874	415,517
	3,489,687	3,737,771
	3,522,891	3,777,714

(See accompanying Notes to Financial Statements)

APPROVED ON BEHALF OF THE BOARD:


 _____ Director


 _____ Director

**WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF CHANGES IN FUND BALANCES**

	Year ended March 31			
	General Fund		Endowment Fund	Total
	Unrestricted	Invested in Capital Assets	2016	Total 2015
\$	\$	\$	\$	
FUND BALANCES, BEGINNING OF YEAR	415,517	1,317,404	2,004,850	3,737,771
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(189,753)	(58,331)	-	(248,084)
INVESTMENT IN CAPITAL ASSETS	(22,890)	22,890	-	-
FUND BALANCES, END OF YEAR	202,874	1,281,963	2,004,850	3,489,687
				3,737,771

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF OPERATIONS

Year ended March 31

	General Fund \$	Endowment Fund \$	Total 2016 \$	Total 2015 \$
REVENUES				
Donations	49,100	-	49,100	125,670
Fundraising and other income	102,328	-	102,328	84,996
Investment income	58,828	-	58,828	63,068
Realized gain on investments	100,859	-	100,859	139,368
	311,115	-	311,115	413,102
EXPENDITURES				
Advertising, travel and promotion	843	-	843	5,917
Fundraising expenses	27,145	-	27,145	33,323
Insurance	11,784	-	11,784	11,387
Miscellaneous	2,154	-	2,154	1,635
Office expenses	40,740	-	40,740	46,918
Printing, postage and courier	4,105	-	4,105	6,813
Professional fees	30,800	-	30,800	29,293
Volunteer expenses	3,756	-	3,756	3,963
Wages and benefits	234,394	-	234,394	217,330
	355,721	-	355,721	356,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	(44,606)	-	(44,606)	56,523
AMORTIZATION	(58,331)	-	(58,331)	(60,493)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	(145,147)	-	(145,147)	81,381
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(248,084)	-	(248,084)	77,411

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF CASH FLOWS

Year ended March 31

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	(248,084)	77,411
Items not involving cash:		
Amortization	58,331	60,493
Realized gain on investments	(100,859)	(139,368)
Unrealized loss (gain) on investments	145,147	(81,381)
Write-down of incorporation costs	684	-
	(144,781)	(82,845)
Changes in non-cash working capital (<i>Note 7</i>)	(2,419)	(109,591)
	(147,200)	(192,436)
FINANCING ACTIVITIES		
Increase (decrease) in deferred contributions	156	(7,219)
INVESTING ACTIVITIES		
Decrease in short-term investments	163,015	208,175
Purchase of capital assets	(22,890)	(4,047)
	140,125	204,128
INCREASE (DECREASE) IN CASH	(6,919)	4,473
CASH, BEGINNING OF YEAR	12,103	7,630
CASH, END OF YEAR	5,184	12,103

(See accompanying Notes to Financial Statements)

1. PURPOSE OF ORGANIZATION

The Organization is a not-for-profit organization which is committed to enhancing the quality of life and providing support programs for people living with and affected by cancer. Wellwood Resource Centre of Hamilton is a charitable organization incorporated without share capital under the Laws of Ontario and is exempt from income taxes.

2. 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:

FINANCIAL INSTRUMENTS*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 equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in excess of revenue over expenditures.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at fair value include short-term investments.

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 excess of revenue over expenditures. 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 excess of revenue over expenditures up to the amount of the previously recognized impairment.

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING

The Organization follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants and donations.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is to be used for the sustainability of the Organization.

CAPITAL ASSETS AND AMORTIZATION

Capital assets are recorded at cost. An impairment loss is recognized when a capital asset no longer has any long-term service potential to the Organization. Amortization is provided for at the following methods and rates which are designed to charge the cost of capital assets to income over their estimated useful lives:

Building	40 years	straight-line
Landscaping	10 years	straight-line
Leasehold improvements	15 years	straight-line
Parking lot	8%	diminishing balance
Signage	20%	diminishing balance
Furniture and equipment	20%	diminishing balance
Computer and communication equipment	20 - 55%	diminishing balance
Computer software	45%	diminishing balance

REVENUE RECOGNITION

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund as it is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources must be used for the sustainability of the Organization and is recognized as revenue of the General Fund.

CONTRIBUTED MATERIALS AND SERVICES

Contributed materials and services which are used in the normal course of operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated. Volunteers contribute a substantial number of hours each year to assist in carrying out the activities of the Organization. Due to the difficulty in determining their fair value, contributions of such services are not recognized in the financial statements.

TRANSLATION OF FOREIGN CURRENCIES

All foreign denominated monetary assets and liabilities are translated at the exchange rate prevailing at the year end and revenue and expenditures (other than amortization) at average rates of exchange during the period. Exchange gains and losses arising on the translation of the accounts are included in excess of revenue over expenditures. Non-monetary assets and liabilities are translated at historical rates of exchange.

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2016

3. CAPITAL ASSETS

	2016			2015
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Building	1,139,289	169,349	969,940	998,423
Landscaping	115,104	49,252	65,852	53,717
Leasehold improvements	109,672	23,586	86,086	93,397
Parking lot	16,786	5,242	11,544	12,548
Signage	20,827	12,683	8,144	10,180
Furniture and equipment	93,015	61,114	31,901	39,458
Artwork and antiques	105,234	-	105,234	105,234
Computer and communication equipment	41,316	38,094	3,222	4,374
Computer software	1,807	1,767	40	73
	1,643,050	361,087	1,281,963	1,317,404

4. ACCOUNTS PAYABLE

Included in the balance of accounts payable are other government remittances totalling \$6,365 (2015 - \$5,275).

5. DEFERRED CONTRIBUTIONS

The deferred contributions reported in the General Fund for the current year represents unspent resources relating to restricted donations and sponsorships received in the current period that is related to the subsequent period. Changes in deferred contributions balance are as follows:

	2016 \$	2015 \$
Deferred contributions, beginning of year	9,200	16,419
Donations revenue received during the year that are externally restricted	18,897	10,700
Fundraising revenue received during the year for next year's event	-	3,500
Recognized as revenue during the year	(18,741)	(21,419)
Deferred contributions, end of year	9,356	9,200

6. EXTERNALLY RESTRICTED FUND BALANCES

Fund balances restricted for endowment purposes is subject to externally imposed restrictions stipulating that the resources be maintained permanently.

Original Endowment - Juravinski Fund \$2,000,000 and Haynes Fund \$4,850.

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2016

7. CHANGES IN NON-CASH WORKING CAPITAL

	2016	2015
	\$	\$
Accounts receivable	4,078	(3,707)
Inventories	409	49
Prepaid expenses and deposits	(11)	(374)
Accounts payable	(6,895)	(105,559)
	(2,419)	(109,591)

8. FINANCIAL INSTRUMENTS

FOREIGN EXCHANGE RISK

The Organization holds United States denominated short-term investments and is therefore subject to foreign exchange fluctuations. The Organization manages this risk by monitoring its United States dollar investments. As at March 31, 2016, the Organization has United States denominated cash and short-term investments in the amount of \$8,331 and \$630,918, respectively.

MARKET RISK

The Organization is exposed to market risk through its investments quoted in an active market. The Organization's investment portfolio is well diversified and there is no significant concentration of market risk.