

**WELLWOOD RESOURCE CENTRE OF HAMILTON**

**FINANCIAL STATEMENTS**

**MARCH 31, 2017**



**TAYLOR LEIBOW<sup>LLP</sup>**  
**ACCOUNTANTS AND ADVISORS**

**AN INDEPENDENT MEMBER OF DFK INTERNATIONAL**

**HAMILTON OFFICE**  
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## INDEPENDENT AUDITOR'S REPORT

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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, 2017, 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<sup>LLP</sup>**  
**ACCOUNTANTS AND ADVISORS**

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## INDEPENDENT AUDITOR'S REPORT (Continued)

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*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, 2017, 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 27, 2017


**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**STATEMENT OF FINANCIAL POSITION**

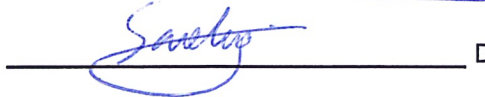
*As at March 31*

	2017	2016
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	14,886	5,184
Short-term investments	2,261,509	2,223,210
Accounts receivable	6,470	5,376
Inventories	1,103	464
Prepaid expenses and deposits	9,978	6,694
	<b>2,293,946</b>	<b>2,240,928</b>
<b>CAPITAL ASSETS (Note 3)</b>	<b>1,225,284</b>	<b>1,281,963</b>
	<b>3,519,230</b>	<b>3,522,891</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable (Note 4)	25,593	23,848
<b>DEFERRED CONTRIBUTIONS (Note 5)</b>	<b>27,171</b>	<b>9,356</b>
	<b>52,764</b>	<b>33,204</b>
<b>FUND BALANCES</b>		
INVESTED IN CAPITAL ASSETS	1,225,284	1,281,963
EXTERNALLY RESTRICTED (Note 6)	2,076,687	2,004,850
UNRESTRICTED	164,495	202,874
	<b>3,466,466</b>	<b>3,489,687</b>
	<b>3,519,230</b>	<b>3,522,891</b>

*(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	2017	2016
	\$	\$	\$	\$
FUND BALANCES, BEGINNING OF YEAR	202,874	1,281,963	2,004,850	3,489,687
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(38,107)	(56,951)	71,837	(23,221)
INVESTMENT IN CAPITAL ASSETS	(272)	272	-	-
FUND BALANCES, END OF YEAR	164,495	1,225,284	2,076,687	3,466,466
				3,489,687

(See accompanying Notes to Financial Statements)

**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**STATEMENT OF OPERATIONS**

*Year ended March 31*

	General Fund \$	Endowment Fund \$	Total 2017 \$	Total 2016 \$
<b>REVENUES</b>				
Donations	54,687	71,837	126,524	49,100
Fundraising and other income	121,198	-	121,198	102,328
Investment income	56,488	-	56,488	58,828
Realized gain on investments	149,761	-	149,761	100,859
	<b>382,134</b>	<b>71,837</b>	<b>453,971</b>	<b>311,115</b>
<b>EXPENDITURES</b>				
Advertising, travel and promotion	600	-	600	843
Fundraising expenses	43,245	-	43,245	27,145
Insurance	11,818	-	11,818	11,784
Miscellaneous	1,889	-	1,889	2,154
Office expenses	65,650	-	65,650	40,740
Printing, postage and courier	4,772	-	4,772	4,105
Professional fees	36,655	-	36,655	30,800
Volunteer expenses	4,430	-	4,430	3,756
Wages and benefits	269,652	-	269,652	234,394
	<b>438,711</b>	<b>-</b>	<b>438,711</b>	<b>355,721</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	(56,577)	71,837	15,260	(44,606)
AMORTIZATION	(56,951)	-	(56,951)	(58,331)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	18,470	-	18,470	(145,147)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<b>(95,058)</b>	<b>71,837</b>	<b>(23,221)</b>	<b>(248,084)</b>

*(See accompanying Notes to Financial Statements)*

**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**STATEMENT OF CASH FLOWS**

	<i>Year ended March 31</i>	
	2017	2016
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures	(23,221)	(248,084)
Items not involving cash:		
Amortization	56,951	58,331
Realized gain on investments	(149,761)	(100,859)
Unrealized loss (gain) on investments	(18,470)	145,147
Write-down of incorporation costs	-	684
	(134,501)	(144,781)
Changes in non-cash working capital (Note 7)	(3,272)	(2,419)
	(137,773)	(147,200)
<b>FINANCING ACTIVITIES</b>		
Increase in deferred contributions	17,815	156
<b>INVESTING ACTIVITIES</b>		
Purchase of short-term investments	(598,070)	(563,251)
Proceeds on sale of short-term investments	728,002	726,266
Purchase of capital assets	(272)	-
	129,660	163,015
<b>INCREASE IN CASH</b>	<b>9,702</b>	<b>15,971</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>5,184</b>	<b>(10,787)</b>
<b>CASH, END OF YEAR</b>	<b>14,886</b>	<b>5,184</b>

*(See accompanying Notes to Financial Statements)*

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**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**

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*Year ended March 31, 2017*

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**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.



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**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**

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*Year ended March 31, 2017*

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**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, 2017*

**3. CAPITAL ASSETS**

	2017			2016
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Building	1,139,289	197,831	941,458	969,940
Landscaping	115,104	60,763	54,341	65,852
Leasehold improvements	109,672	30,898	78,774	86,086
Parking lot	16,786	6,165	10,621	11,544
Signage	20,827	14,312	6,515	8,144
Furniture and equipment	93,015	67,420	25,595	31,901
Artwork and antiques	105,234	-	105,234	105,234
Computer and communication equipment	41,588	38,864	2,724	3,222
Computer software	1,807	1,785	22	40
	<b>1,643,322</b>	<b>418,038</b>	<b>1,225,284</b>	<b>1,281,963</b>

**4. ACCOUNTS PAYABLE**

Included in the balance of accounts payable are other government remittances totalling \$6,059 (2016 - \$6,365).

**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:

	2017 \$	2016 \$
Deferred contributions, beginning of year	9,356	9,200
Donations revenue received during the year that are externally restricted	37,560	18,897
Fundraising revenue received during the year for next year's event	2,500	-
Recognized as revenue during the year	(22,245)	(18,741)
Deferred contributions, end of year	<b>27,171</b>	<b>9,356</b>

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**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**

*Year ended March 31, 2017*

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**6. EXTERNALLY RESTRICTED FUND BALANCES**

Fund balances restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained permanently. The balance is comprised of:

	2017 \$	2016 \$
Juravinski Fund	2,000,000	2,000,000
Haynes Fund	76,687	4,850
	<b>2,076,687</b>	<b>2,004,850</b>

**7. CHANGES IN NON-CASH WORKING CAPITAL**

	2017 \$	2016 \$
Accounts receivable	(1,094)	4,078
Inventories	(639)	409
Prepaid expenses and deposits	(3,284)	(11)
Accounts payable	1,745	(6,895)
	<b>(3,272)</b>	<b>(2,419)</b>

**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, 2017, the Organization has United States denominated cash and short-term investments in the amount of \$2,045 and \$655,360, 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.