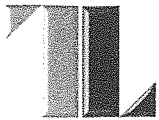


**WELLWOOD RESOURCE CENTRE OF HAMILTON**

**FINANCIAL STATEMENTS**

**MARCH 31, 2012**



**HAMILTON OFFICE**  
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7<sup>TH</sup> FLOOR  
105 MAIN STREET EAST  
HAMILTON, ONTARIO  
L8N 1G6

**BURLINGTON OFFICE**  
THE TAYLOR LEIBOW BUILDING  
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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of  
Wellwood Resource Centre of Hamilton:

We have audited the accompanying financial statements of Wellwood Resource Centre of Hamilton, which comprise the statement of financial position as at March 31, 2012, 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*

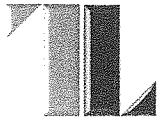
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from 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 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 qualified audit opinion.



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

AN INDEPENDENT MEMBER OF DFK INTERNATIONAL

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## INDEPENDENT AUDITOR'S REPORT (Continued)

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### *Basis for Qualified Opinion*

In common with many charitable organizations, the Organization derives revenue from donations 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 Organization and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenditures and cash flows from operations for the year ended March 31, 2012, current assets as at March 31, 2012 and fund balances as at April 1, 2011 and March 31, 2012.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Wellwood Resource Centre of Hamilton as at March 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.

*Taylor Leibow LLP*

**CHARTERED ACCOUNTANTS**  
**Licensed Public Accountants**

Hamilton, Ontario  
June 22, 2012

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

*As at March 31*

	2012 \$	2011 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	31,724	82,921
Short-term investments	2,110,176	2,224,805
Accounts receivable	10,660	10,213
Inventories	939	994
Prepaid expenses and deposits	8,411	37,767
	<b>2,161,910</b>	<b>2,356,700</b>
<b>CAPITAL ASSETS (Note 3)</b>	<b>1,361,876</b>	<b>1,291,891</b>
<b>INCORPORATION COSTS</b>	<b>684</b>	<b>684</b>
	<b>3,524,470</b>	<b>3,649,275</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	14,732	106,581
<b>DEFERRED CONTRIBUTIONS (Note 4)</b>	<b>20,823</b>	<b>6,246</b>
	<b>35,555</b>	<b>112,827</b>
<b>FUND BALANCES</b>		
INVESTED IN CAPITAL ASSETS	1,361,876	1,291,891
EXTERNALLY RESTRICTED (Note 5)	2,002,000	2,002,000
UNRESTRICTED	125,039	242,557
	<b>3,488,915</b>	<b>3,536,448</b>
	<b>3,524,470</b>	<b>3,649,275</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		
	\$	\$	\$	\$
FUND BALANCES, BEGINNING OF YEAR	242,557	1,291,891	2,002,000	3,536,448
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,578	(60,111)	-	(47,533)
INVESTMENT IN CAPITAL ASSETS	(130,096)	130,096	-	-
FUND BALANCES, END OF YEAR	125,039	1,361,876	2,002,000	3,488,915
				3,536,448

(See accompanying Notes to Financial Statements)

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

*Year ended March 31*

	General Fund \$	Endowment Fund \$	Total 2012 \$	Total 2011 \$
<b>REVENUES</b>				
Donations	67,371	-	67,371	80,226
Donations in kind	12,704	-	12,704	52,598
Trillium Foundation grant	4,446	-	4,446	27,180
Partnership funds	75,000	-	75,000	90,000
Fundraising and other income	57,359	-	57,359	81,999
Investment income	58,127	-	58,127	61,728
Unrealized gain on investments	54,755	-	54,755	110,142
	<b>329,762</b>	<b>-</b>	<b>329,762</b>	<b>503,873</b>
<b>EXPENDITURES</b>				
Advertising, travel and promotion	1,978	-	1,978	737
Amortization	60,111	-	60,111	43,788
Fundraising expenses	23,064	-	23,064	35,681
Insurance	10,167	-	10,167	10,038
Miscellaneous	2,496	-	2,496	3,864
Office expenses	45,090	-	45,090	57,660
Printing, postage and courier	6,451	-	6,451	7,584
Professional fees	27,959	-	27,959	29,110
Volunteer expenses	4,192	-	4,192	4,375
Wages and benefits	195,787	-	195,787	190,543
	<b>377,295</b>	<b>-</b>	<b>377,295</b>	<b>383,380</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(47,533)</b>	<b>-</b>	<b>(47,533)</b>	<b>120,493</b>

*(See accompanying Notes to Financial Statements)*

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

	<i>Year ended March 31</i>	
	2012	2011
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	(47,533)	120,493
Items not involving cash:		
Amortization	60,111	43,788
Realized loss (gain) on investments	2,388	(591)
Unrealized gain on investments	(54,755)	(110,142)
	(39,789)	53,548
Changes in non-cash working capital <i>(Note 6)</i>	(62,885)	104,604
	(102,674)	158,152
<b>FINANCING ACTIVITIES</b>		
Increase in deferred contributions	14,577	605
<b>INVESTING ACTIVITIES</b>		
Decrease in short-term investments	166,996	38,550
Purchase of capital assets	(130,096)	(413,314)
	36,900	(374,764)
DECREASE IN CASH	(51,197)	(216,007)
CASH, BEGINNING OF YEAR	82,921	298,928
CASH, END OF YEAR	31,724	82,921

*(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, 2012*

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**1. PURPOSE OF ORGANIZATION**

The Organization is a charitable 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 have been prepared by management in accordance with Canadian generally accepted accounting principles, applied on a basis consistent with prior years, and include the following significant accounting policies:

**USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include the valuation of the allowance for doubtful accounts, amortization and impairment assessments. Actual results could differ from those estimates.

**FINANCIAL ASSETS AND LIABILITIES**

The following is a summary of the accounting model the Organization has elected to apply to each of its significant categories of financial instruments outstanding at March 31, 2012:

Cash	- Held for trading
Short-term investments	- Held for trading
Accounts receivables	- Loans and receivables
Accounts payable	- Other financial liabilities

On initial recognition, all financial assets and liabilities are measured and recognized at fair value. Financial assets and liabilities are then measured and recognized as follows:

*Financial assets held for trading*

Financial assets held for trading are measured at fair value and any changes in fair value are recognized in excess of revenues over expenses and are presented under unrealized gain (loss) on investments.

*Loans and receivables and other financial liabilities*

Loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method (including any impairment for financial assets). Interest calculated using the effective interest method is presented in excess of revenues over expenses under investment income.



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

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*Year ended March 31, 2012*

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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. 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
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.

**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 expenses (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 income. 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, 2012*

**3. CAPITAL ASSETS**

	2012		2011	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Building	1,136,098	55,499	1,080,599	1,073,761
Landscaping	90,507	11,092	79,415	39,397
Parking lot	16,786	671	16,115	-
Signage	10,975	2,726	8,249	8,140
Furniture and equipment	78,203	19,813	58,390	52,476
Artwork and antiques	102,200	-	102,200	89,700
Computer and communications equipment	40,805	24,667	16,138	27,017
Computer software	1,807	1,037	770	1,400
	<b>1,477,381</b>	<b>115,505</b>	<b>1,361,876</b>	<b>1,291,891</b>

**4. DEFERRED CONTRIBUTIONS**

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

	2012 \$	2011 \$
Deferred contributions, beginning of year	6,246	5,641
Donations revenue received during the year that is externally restricted	23,423	-
Grants received during the year	-	32,200
Fundraising revenue received during the year for next year's event	-	1,800
Recognized as revenue during the year	(8,846)	(33,395)
Deferred contributions, end of year	<b>20,823</b>	<b>6,246</b>

**5. EXTERNALLY RESTRICTED NET ASSETS**

Net assets restricted for endowment purposes is subject to externally imposed restrictions stipulating that the resources be maintained permanently. Investment income on this amount is externally restricted for stability purposes.

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

*Year ended March 31, 2012*

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

	2012 \$	2011 \$
Accounts receivable	(447)	(80)
Inventories	55	(32)
Prepaid expenses and deposits	29,356	9,622
Accounts payable	(91,849)	95,094
	<b>(62,885)</b>	<b>104,604</b>

**7. 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, 2012, the Organization has United States denominated cash and short-term investments in the amount of \$5,915 and \$456,345, respectively.

**8. CAPITAL DISCLOSURES**

For its own purposes, the Organization defines capital as the sum of its fund balances. Externally imposed requirements on donations for specific purposes as directed by the donor are recognized in the restricted funds balance as described in Note 2.

The Organization's capital is calculated as follows:

	2012 \$	2011 \$
Fund balances		
Invested in capital assets	1,361,876	1,291,891
Externally restricted	2,002,000	2,002,000
Unrestricted	125,039	242,557
<b>Total capital</b>	<b>3,488,915</b>	<b>3,536,448</b>

The Organization's objectives when managing capital are to match generally the structure of its capital to the underlying nature and term of the assets being financed, and to hold sufficient cash and short-term investments to enable it to withstand negative unexpected financial events, in order to maintain stability in the financial structure. The Organization seeks to minimize the exposure to financial leverage and variable rate financial obligations and to maintain sufficient liquidity and short term borrowing capacity to enable it to meet its obligations as they become due.